

# DAILY REPORT

*China*

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## PRC INTERNATIONAL AFFAIRS

### GENERAL

RENMIN RIBAO Criticizes Soviet-U.S. Arms Race	[11 Oct]	A 1
PRC Joins International Atomic Energy Agency		A 3
Science, Technology Forum Ends in Beijing		A 5
China-Europe Business Symposium Continues		A 5
PRC's Five-Year Plans Noted		A 5
Foreign Investment Encouraged		A 6
Zhang Jingfu Meets EMF Group		A 7
Rong Yiren Meets EMF Group		A 8
International Trade Meeting Opens in Tianjin		A 8

### UNITED STATES

Wu Xueqian Begins Official U.S. Visit	B 1
Holds Talks With Shultz	B 1
Meets President Reagan	B 1
Speaks at Bush Luncheon	B 1
Further Talks With Shultz	B 2
Urges Better PRC-U.S. Ties	B 2
Feted by Shultz	B 3
RENMIN RIBAO Views U.S. Presidential Campaign	[7 Oct] B 4

### SOUTHEAST ASIA & PACIFIC

Commentary Says SRV Cease-Fire Proposals 'Propaganda'	E 1
SRV Foreign Minister Denounced for Statements at UN	E 1
PRC UN Representative's Speech	E 1
Beijing Vietnamese Commentary	E 2
RENMIN RIBAO 8 Oct Commentary	E 3
RENMIN RIBAO 9 Oct Report	E 4

### PRC NATIONAL AFFAIRS

Media Stress Need To Study Deng's 'Works'	K 1
RENMIN RIBAO Commentary [9 Oct]	K 1
ZHONGGUO QINGNIAN BAO on CYL [27 Sep]	K 1
HONGQI Article on Intellectuals [CHINA DAILY 12 Oct]	K 5
Paper on 'Chinese' Socialism [GUANGMING RIBAO 25 Sep]	K 7
Economic Commission Urges Increased Production	K 12
Industrial Growth Steady in First Three Quarters	K 13
Corporations With Foreign Ties Must Register	K 14

## PRC REGIONAL AFFAIRS

## EAST REGION

Fujian Sets Up State Security Department [FUJIAN RIBAO 1 Oct]	O 1
Jiangsu Study Class on Deng Works Concludes	O 1
Jiangsu To Step Up Technological Imports	O 2
Jiangxi Launches Civilized Village Campaign	O 3

## CENTRAL-SOUTH REGION

Guangdong Article on Properly Using Foreign Exchange [NANFANG RIBAO 6 Oct]	P 1
Henan Decision on Local Congress Standing Committees Meeting Conveys Decision	P 2
Water Level on Han Jiang in Hubei Recedes	P 5
Hunan TV Program Views Clothing Styles	P 6

## SOUTHWEST REGION

Xizang Police Detachment Holds Inaugural Meeting	O 1
Lhasa CPC Committee Elects Delegates, Concludes	O 1
Briefs: Yunnan Smuggling Ring; Yunnan Water Storage	O 2

## NORTHWEST REGION

Editorial Views Solving Northwest Energy Shortage [RENMIN RIBAO 8 Oct]	T 1
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RENMIN RIBAO CRITICIZES SOVIET-U.S. ARMS RACE

HK111413 Beijing RENMIN RIBAO in Chinese 11 Oct 83 p 7

["Special commentary" by Zhang Dezheng: "Superpowers' Arms Race Threatens World Peace"]

[Text] At the 38th UN General Assembly, disarmament is one of the major topics for discussion. This issue has been discussed by the United Nations many times. The superpowers have also held continuous talks and have even concluded some agreements on this issue. However, disarmament has still made no substantial headway. The fundamental reason is that the superpowers lack sincerity. They advocate disarmament in words, but go all out to build up their military strength. At present, some new trends have appeared in the arms race between the superpowers, and we must pay close attention to this.

Contending for Military Superiority Under Cover of Maintaining a "Balance"

The superpowers rely on their strength to seek world hegemony. Therefore, they always try to beef themselves up and to dominate the opposing side so as to strive for military superiority. Before the 1970's, Soviet military strength in some aspects lagged behind that of the United States. In particular, Soviet nuclear power lagged far behind that of the United States. However, when the United States was mired in the Vietnam War and slowed down its rate of arms expansion during the "detente decade," the USSR caught up with the United States by taking advantage of the favorable opportunity. By the end of the 1970's, the two sides matched each other in military strength, each having its strong points. They did not stop their arms race in view of this and continued to contend for superiority in various forms.

The USSR has won an advantage in some aspects due to its large-scale arms expansion in the past decade. It thus tries hard to advocate that the existing strategic balance between the United States and the Soviet Union should be "maintained" and that the present state of the nuclear forces of both sides should be "frozen" so as to contain the U.S. efforts to build up its armament. Soviet leaders repeatedly emphasize: The Soviet-U.S. strategic balance is "the most important achievement in recent decades." "Any attempt to disturb and upset this balance" is intolerable. However, the United States stresses that at present, the balance of military strength between the two countries has tilted to the disadvantage of the United States, so the United States must rearm in order to restore the disturbed strategic balance.

One tries to "maintain" the balance, and the other tries to "restore" the balance. It seems that neither wishes to seek a dominant position and just wants to ensure the "balance." In fact, that is absolutely not the case. Each of the superpowers has its own explanation of, and its own standard for, the so-called "balance." They can intensify their arms race at any time on account of the "unbalanced" military situation.

On the part of the United States, it never mentions its military superiority and strong points in some aspects, but always stresses that the USSR has established "obvious superiority" in almost all fields. For this reason, after taking power, President Reagan again and again increased military spending. In fiscal year 1982, military spending increased in real terms by 7.7 percent; in 1983, military spending again increased by 10.5 percent; in 1984, it is planned to increase military spending by 10 percent. Not long ago, the Reagan administration worked out a plan for arms expansion between 1984 and 1988. Military spending in these 5 years will total \$1,600 billion, increasing by an average of \$300 billion each year.

A similar case can also be found in the USSR. When advocating maintaining the "balance," the USSR in fact means maintaining its superiority in some aspects. It is impossible for the USSR to remain indifferent when it finds that the United States is increasing military spending. It repeatedly declares that the USSR will not "negatively stand aside" in the face of U.S. arms expansion, but will be ready to "keep it company to the end." In the past 3 years, the USSR steadily increased its military spending after having increased military expenditures by big margins in the 1970's. In real terms, the financial resources it has used to develop and purchase weapons are far greater than in the case of the United States.

In the matter of intermediate-range nuclear weapons, it is similarly obvious why the two superpowers have argued against each other about the "balance." The United States holds that the deployment of Soviet SS-20 missiles has led to the "imbalance" in the military strength of the United States and the USSR, so it is necessary to deploy new missiles in Western Europe in order to restore the "balance." But the USSR, flatly denies that it has won the upper hand in the field of medium-range missiles, and fiercely accuses the United States of upsetting the "balance" in Europe by deploying its Pershing-2 and cruise missiles. It even threatens to take measures accordingly if the United States really deploys these missiles.

Facts show that although the superpowers advocate maintaining the balance in words, they are, in fact, trying by every means to dominate the opposing side and to maintain their own superiority. The so-called balance is nothing more than a disguise under which they are conducting arms expansion.

#### The Stress in the Arms Race Is Placed on Improving the Quality of Weapons

As a result of the arms race between the superpowers over past years, the number of their weapons has reached an "ultra-antipersonnel" saturation point. Therefore, the stress of the present arms race has been shifted from increasing quantity to improving quality. In this connection, their common practice is: preserving and developing their own strong points to counteract their weaknesses, while at the same time striving to gain the lead in technological matters by restricting the development of the opposing side.

In order to preserve its superior position in conventional weapons, the USSR has made efforts to speed up the renewal and improvement of its weapons. The new-style Su-24 fighter-bombers and MIG-23, 25, and 27 fighters have become the main strength of the Soviet combat troops. The new-style T-72 and T-82 tanks are gradually replacing the old ones. The equipment of the Soviet Navy has also undergone rapid development over the past few years. In the United States, since Reagan assumed power, the development of conventional weapons has been speeded up. On average, there are 10 new kinds of weapons being put into production or being used to equip the military each year, including the advanced F-16 fighter, the nuclear-powered aircraft carriers, and naval vessels equipped with new-style cruise missiles.

In nuclear weapons, the contention between the superpowers for quality superiority is more acute. Over the past few years, the USSR has made great efforts to modernize its nuclear weapons extensively. In order to maintain its superiority in ground-based intercontinental missiles, the USSR has renewed and increased the number of the fourth generation of improved intercontinental missiles, and is stepping up the development of the fifth generation. Western newspapers have revealed that recently the USSR has secretly tried out in the Far East a new PL-5 intercontinental missile, which is far more powerful than existing missiles and is capable of destroying the U.S. MX intercontinental missiles.

In order to narrow the disparity between itself and the United States in nuclear-powered submarine missiles, in strategic bombers, and in the percentage of hits by nuclear warheads, the USSR is now forcefully developing the huge "hurricane" class ballistic missile submarine and the "pirate flag" [hai dao q1 3189 4142 2475] strategic bombers. The percentage of hits of its nuclear warheads has also been raised. In the United States, the modernization of nuclear weapons is entering into a "period of full bloom." Reagan put forth a grand plan, after he assumed power, to use some \$180 billion to renew the strategic nuclear weapons in an all-round way, preparing gradually to substitute the MX intercontinental missiles, the Trident nuclear-powered submarine missiles, and the B-1 strategic bombers for the present "Minutemen" Intercontinental missiles, the old-type nuclear-powered submarine missiles, and the B-52 bombers, and to further develop the "invisible" planes, the "invisible" cruise missiles, and small single-warhead power-driven intercontinental missiles. The United States is attempting, through these measures, to remedy its defects in ground-based intercontinental missiles and to maintain and strengthen its lead over the USSR in technology. In short, the two superpowers are contending fiercely with each other through "developing strong points and making up deficiencies" in constantly improving the quality of their weapons.

#### Arms Race Expands From the Earth's Surface to Outer Space

The arms race between the superpowers has long expanded from the land, the seas and oceans, and the air to outer space. They have launched into outer space several thousand satellites and all kinds of spacecraft for military use and have also developed all sorts of antisatellite weapons. What merits our attention is that recently they have pushed the contention for space superiority into a new phase. In September last year, the U.S. Air Force set up "Space General Headquarters" which was the first space command in the world designated to be specially in charge of military activities in outer space. In March this year, Reagan officially ordered that the long-range plan for establishing an antiballistic missiles defense system be implemented. The main tentative idea of the system is to intercept and destroy the USSR's strategic missiles in outer space by means of laser and particle beams, microwaves, and so on. Although this plan, called a "star wars" plan by the U.S. newspapers, has been lauded to the skies by some people, who say that once this plan is fulfilled, ground nuclear war can possibly be pushed into remote outer space and the "cold war" can be turned into "peace," the majority of people hold that this plan can do nothing but make the arms race between the United States and the USSR become more and more dangerous. Just as some military specialists have pointed out: If there is a spear, there must necessarily be a shield, and if there is a shield, there must necessarily be a more devastating spear. With the upgrading of strategic defense weapons, strategic offensive weapons will certainly improve and a new breakthrough will emerge in this respect. For many years the USSR has continuously engaged in the development of space weapons and the establishment of its antiballistic system, and has in actuality held a safe lead in certain spheres. It has also reacted strongly to the United States' attempts to augment the development of its space weapons.

The arms race between the superpowers has produced unprecedented tension whether in speed, in scale, or in standards. All their activities have aggravated international tension and are seriously imperilling world peace.

#### PRC JOINS INTERNATIONAL ATOMIC ENERGY AGENCY

0W111330 Beijing XINHUA in English 1252 GMT 11 Oct 83

[Text] Vienna, October 11 (XINHUA) -- China was admitted to the International Atomic Energy Agency (IAEA) today.

According to a resolution adopted at the 27th IAEA conference here today, China has become the 113th member state of the agency which was founded in 1957 as one of the 15 special agencies under the United Nations to promote world peace and the peaceful uses of atomic energy.

Speaking at the conference, head of the Chinese delegation Wang Shu thanked the other member states for supporting China's membership in the agency.

On behalf of the Chinese Government, he elaborated China's stand on the issue of the peaceful uses of nuclear energy. He said, "We rely, in the main, on our own efforts, but at the same time we are sincerely looking forward to cooperating extensively with other countries on the basis of mutual respect for sovereignty, equality and mutual benefit and non-interference in internal affairs."

He said that China will accept the statute of the agency and fulfil her obligations. But China's membership in the agency does not imply any change in her position with regard to the "Treaty on the Non-proliferation of Nuclear Weapons," and China remains critical of the discriminatory nature of that treaty, he said.

"We respect the desire of a great many non-nuclear weapon states not to test, use, manufacture, produce and acquire nuclear weapons," he said.

China neither stands for nor encourages the proliferation of nuclear weapons, he declared.

"The international cooperation in the peaceful uses of nuclear energy involves some delicate issues which should be dealt with cautiously. China has all along taken a conscientious and responsible attitude towards this cooperation and will continue to take such an attitude after becoming a member of the agency," he said.

"We cannot go along with any attempt at arbitrary and unilateral widening of the scope of restrictions and controls in the name of strengthening the non-proliferation regime," he said. "We believe this practice would not be conducive to the development and world-wide peaceful uses of nuclear energy, to the economic and scientific development of various countries as well as to the peace and security of the world."

"The authorities in Taiwan became a member of the agency and signed the non-proliferation treaty by usurping the name of China after the founding of New China. As is known to all, Taiwan is an integral part of the People's Republic of China, those actions by the authorities in Taiwan are absolutely illegal and null and void," he said.

He noted that the resolution entitled "Representation of China in the Agency" adopted by the board of governors of the agency on December 9, 1971 explicitly "recognizes that the Government of the People's Republic of China is the only government which has the right to represent China in the International Atomic Energy Agency" and "requests the chairmen and the director general to take all the actions resulting from this resolution."

"China believes that the agency will respect the above-mentioned resolution and the consistent principled stand of China and take practical actions to rearrange its safeguard relationship with Taiwan in such a way as to make it non-governmental," he said.

Delegates from many countries congratulated Wang Shu on China's membership in the agency.

SCIENCE, TECHNOLOGY FORUM ENDS IN BEIJING

OW120604 Beijing XINHUA Domestic Service in Chinese 0852 GMT 8 Oct 83

[Text] Beijing, 8 Oct (XINHUA) -- The Beijing International Forum and Science and Technology Policy and Management closed today. Chinese and foreign specialists read more than 40 papers at the forum on strategies and general policy in the development of science and technology, systems and management work for scientific and technological development, policy for the development of advanced technology, the transfer of technology abroad and the proliferation of technologies at home, and international cooperation and exchanges in the field of technology.

The general report adopted at the closing ceremony of the forum proposed that a second forum to study policy and management on science and technology be held in China in 1985 with a view to exchanging and discussing the achievements scored by various nations, and that an international center be established in Beijing for the study of policy on science and technology.

CHINA-EUROPE BUSINESS SYMPOSIUM CONTINUES

## PRC's Five-Year Plan Noted

OW101327 Beijing XINHUA in English 1137 GMT 10 Oct 83

[Text] Beijing, October 10 (XINHUA) -- Fang Weizhong, vice-minister of the State Planning Commission, said here today that China is well on its way to meeting the targets set for the Sixth Five-Year Plan (1981-1985) and that work has started to plan economic and social development for the 1986-1990 period.

He told participants in the third China-Europe business leaders symposium which opened here today that this year will see a growth rate not lower than last year's in China's industry, a good harvest and continued improvement in the living standards of the urban and rural population.

"It can be said with certainty that the tasks and major targets for the Sixth Five-Year Plan will not only be met on schedule, but surpassed in many areas," he said.

He predicted that the targets for industry and agriculture in the Seventh Five-Year Plan are likely to be higher than those of the sixth, with emphasis on economic performance.

He said that stricter rules will be set for quality and variety of products, material consumption and production costs.

Energy, communications and raw material industries will remain the focus of capital construction, he continued. Coal, crude oil and power generation projects will be expanded and a number of new trunk railraod lines will be built and old lines transformed. He also visualized a fast expansion in the building, building materials, electronics, food processing and fodder industries.

While fully utilizing the old industrial bases, efforts will be made to step up development of inland areas and the northwest, he added.

He told Chinese and European business leaders that China is pooling the efforts of a large number of scientists and experts to work on a science and technology development program for the 1986-2000 period.

To achieve a steady economic growth, he said, it is necessary to strengthen state control of material and financial resources. "Without a proper measure of centralization, a large country like China will get nowhere," he stressed.

He told European business leaders attending the symposium that China will continue to expand its economic and technical cooperation with European countries. The European countries, he said, have accumulated a wealth of experience in business management and in international exchange that is well worth learning from.

"If European countries adopt an active attitude toward providing advanced technological know-how, we are ready to grant them favorable terms in import and export trade," he said.

The domains of exchange and cooperation are broad, the vice-minister said. To actively promote such exchange and cooperation is not only in the interests of both sides but also helps promote world stability. "As long as we take a long-range point of view and increase our mutual understanding and trust, our cooperation will continue to develop and will be placed on a solid footing," he asserted.

He expressed the hope that the European Management Forum will continue to help strengthen economic ties between China and European countries.

#### Foreign Investment Encouraged

OW111436 Beijing XINHUA in English 1306 GMT 11 Oct 83

[Text] Beijing, October 11 (XINHUA) -- A Chinese Government official told a group of foreign business leaders here today that foreign businessmen may start enterprises with their own exclusive investment in China's coastal areas where conditions permit.

Wei Yuming, vice-minister of economic relations and foreign trade, said that this is part of a Chinese Government decision to further relax policies on absorbing foreign funds.

He told the business leaders, who are here attending the third China-Europe business leaders symposium, that more products turned out by Chinese-foreign joint ventures may also be sold on the Chinese market if they are in urgent demand by Chinese consumers. In such cases, he added, China will take measures to guarantee profits in foreign exchange.

"One of the major reasons why foreigners invest in China is that they see China as a big potential market," he said. "We used to stress that what was produced by joint ventures should be sold abroad," he added.

Wei Yuming said that China is making greater efforts to improve economic legislation, adding that China has signed investment protection agreements with Sweden, Romania and the Federal Republic of Germany, and is now discussing similar matters with France, Norway, Switzerland, Belgium, the United States, Japan and Canada.

China is now preparing laws and regulations on Sino-foreign co-production projects, on foreign economic and trade contracts, and on enterprises set up with exclusive foreign investment in China.

The board of directors of a Chinese-foreign joint venture is the highest authority in hiring and firing workers and in establishing wage scales according to actual jobs, the Chinese vice-minister said. But wages are usually higher than in China's state-owned enterprises, he added.

Wei Yuming said that in the past four years, China established 105 joint ventures with foreign business firms. During the same period, he said, China absorbed 13 billion U.S. dollars in foreign funds, of which 5 billion was direct foreign investment. "We welcome foreign business investment in China," he said.

He reiterated China's 4-point principle for foreign economic cooperation and using foreign funds: equality and mutual benefit, emphasis on practical efficiency, variety of forms and common development.

To date, Wei Yuming said, China has established joint trade committees with 14 European countries and has been in contact with many European non-governmental organizations.

#### Zhang Jingfu Meets EMF Group

OW111915 Beijing XINHUA in English 1546 GMT 11 Oct 83

[Text] Beijing, October 11 (XINHUA) -- Zhang Jingfu, Chinese state councillor and minister of the State Economic Commission, met here today with the European Management Forum (EMF) foundation delegation to the on-going third China-Europe business leaders symposium in Beijing.

During the meeting, Zhang Jingfu said: "This symposium is of significance and we may learn a lot of experience from it." He expressed the hope that both Chinese and foreign participants in the gathering will conduct professional discussions in the field of economic and technical cooperation.

"We'll be very pleased if some cooperation projects may be settled this time," he said.

Professor Klaus Schwab, head of the delegation and president of EMF foundation, said that though members of his delegation are from various parts of the world, they all have something in common, that is, to establish long lasting relations of cooperation with the People's Republic of China.

"In the past two days," he said, "We were briefed on China's economic construction and the economic successes are very impressive and we congratulate the Chinese leadership on this, particularly in the circumstances of the world economy today."

The Chinese state councillor said that China's economic situation is improving, and construction of some key projects and technical transformation of the existing enterprises, now under way, urgently require advanced technologies. But he added that the country is weak in techniques and enterprise management and, to change this situation, it urgently needs to import some advanced technologies.

"Noting that China wants to combine import of technology with the expansion of its foreign trade, Minister Zhang said that China give preferential treatment to those countries which grant it favorable treatment in its import of technologies."

"We consider this as a principle of equality and mutual benefit," Zhang Jingfu said in a hope that EMF foundation will do some promotion work in this regard.

"We'll certainly do so," EMF foundation President Klaus Schwab said.

#### Rong Yiren Meets EMF Group

OW111912 Beijing XINHUA in English 1604 GMT 11 Oct 83

[Text] Beijing, October 11 (XINHUA) -- Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress (N.P.C.) and chairman of the board of directors of the China International Trust and Investment Corporation (CITIC), met here today with an European Management Forum (EMF) foundation delegation to the third China-Europe business leaders symposium now in session in Beijing.

During the meeting, the N.P.C. vice-chairman said that the State Council recently publicized the detailed regulations concerning Sino-foreign joint ventures using Chinese and foreign funds, which set forth the details for the income tax of ventures, the purchasing price of their raw materials, terms of reference of the board of directors and their power of decision.

The newly-established joint ventures shall be exempted from income tax in the first two profit-making years as against originally in one year, and a 50 percent reduction will be allowed in the third, fourth and fifth years instead of in the second and third years originally.

"These regulations were set forth in accordance with China's specific conditions and by drawing on suggestions offered by foreign friends," he said.

Rong Yiren welcomed the friends' cooperation on the basis of equality and mutual benefit.

CITIC President Xu Zhaolong was present on the occasion.

#### INTERNATIONAL TRADE MEETING OPENS IN TIANJIN

OW101301 Beijing XINHUA in English 1146 GMT 10 Oct 83

[Text] Tianjin, October 10 (XINHUA) -- Some 40 foreign business people are attending an international trade and investment meeting which opened here today.

The six-day meeting, the first of its kind ever held in Tianjin, is sponsored by the Tianjin branch of the China Council for the Promotion of International Trade and AGS Management Consultants PTE Ltd [company name as received] of Singapore. Participants are from eight countries in Europe, North America and Asia, and from the Hong Kong region.

Discussions and negotiations will be held on imports and exports and on the establishment of joint ventures in the building trade and container transport, said Mr Chang Soo, general manager of AGS and co-chairman of the meeting. Some foreign business people will announce their plans for long-term investments in the city, he added.

"AGS is ready to help Tianjin absorb and use international investment," he said.

Tianjin's foreign trade departments, the Tianjin branch of the Bank of China and the Tianjin Insurance Company will brief participants on the development of the city's foreign economic and trade relations and their respective areas of business. They will enter into talks with participants on economic and technical cooperation.

I. 12 Oct 83

PR C I N T E R N A T I O N A L A F F A I R S  
U N I T E D S T A T E S

B 1

WU XUEQIAN BEGINS OFFICIAL U.S. VISIT

Holds Talks With Shultz

OW111557 Beijing XINHUA in English 1544 GMT 11 Oct 83

[Text] Washington, October 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian and U.S. Secretary of State George Shultz began their first round of talks at the State Department here this morning. International relations, particularly global issues, came up in the talks which were held in a friendly and frank atmosphere.

Present on the occasion from the Chinese side were Chinese Ambassador Zhang Wenjin, Assistant Foreign Minister Zhu Qizhen, and Minister-Councillors Ji Chaozhu and Zhang Zai.

Present from the U.S. side were Deputy Secretary of State Kenneth Dam, Under Secretaries Lawrence Eagleburger and Allen Wallis, Ambassador to China Arthur Hummel Jr., and Assistant Secretary Paul Wolfowitz.

Meets President Reagan

OW111713 Beijing XINHUA in English 1652 GMT 11 Oct 83

[Text] Washington, October 11 (XINHUA) -- U.S. President Ronald Reagan met Chinese Foreign Minister Wu Xueqian in the White House at noon today. Wu, also state councillor, presented a letter from Chinese Premier Zhao Ziyang to President Reagan. They had a cordial conversation.

Introducing Wu Xueqian to press photographers at the rose garden before the meeting, President Reagan said: "I'm very delighted to have him." Present on the occasion were Zhang Wenjin, Chinese ambassador to the United States; and Zhu Qizhen, assistant minister of foreign affairs.

U.S. Secretary of State George Shultz, Deputy Secretary Kenneth Dam, U.S. Ambassador to China Arthur Hummel, and Assistant Secretary Paul Wolfowitz were also present.

Speaks at Bush Luncheon

OW120837 Beijing XINHUA Domestic Service in Chinese 0756 GMT 12 Oct 83

[Text] Washington, 11 Oct (XINHUA) -- U.S. Vice President Bush gave a luncheon today in honor of Wu Xueqian, Chinese state councillor and concurrently minister of foreign affairs, and his party.

In his speech, Bush stressed the importance of U.S.-Chinese relations. He said that China has many friends in the United States and that America's doors are wide open for Chinese friends. He added that Wu Xueqian's visit will help determine the pattern of U.S.-Chinese relations in the next few years.

In his remarks, Wu Xueqian expressed appreciation for the contributions Bush has made to the development of Sino-U.S. relations. He said: "I sincerely hope and believe that Vice President Bush will make still greater contributions to promoting Sino-U.S. relations. We, on our part, will also do our best for the maintenance and development of relations between the two countries."

U.S. Treasury Secretary Regan, Commerce Secretary Baldrige, Under Secretary of State Schneider, Ambassador to China Hummel, and Assistant Secretary of State Wolfowitz attended the banquet.

Chinese Ambassador to the United States Zhang Wenjin; Hu Dingyi, minister at the Chinese Embassy; and Ji Chaozhu and Zhang Zai, councillors with the rank of minister, attended the banquet on invitation.

#### Further Talks With Shultz

OW120144 Beijing XINHUA in English 0129 GMT 12 Oct 83

[Text] Washington, October 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian and U.S. Secretary of State George Shultz continued their talks on international and regional issues at the State Department this afternoon. The first round of the talks was held this morning and the talks will continue tomorrow.

U.S. Vice President George Bush hosted a luncheon in honor of Wu Xueqian and his party at Blair House here today. Underlining the importance of Sino-U.S. relations, Bush stated that China has many friends in the United States, the door of the U.S. was open to Chinese friends. He said that Wu's visit will help to formulate the Sino-American relations for the years to come.

In his toast, Wu Xueqian expressed appreciation of Bush's contribution to the development of Sino-U.S. relations. He said he himself will also do his utmost to maintain and develop the bilateral relations.

#### Urge Better PRC-U.S. Ties

OW120813 Beijing XINHUA in English 0730 GMT 12 Oct 83

[ "Wu Xueqian Urges Bigger Progress in China-U.S. Relations" -- XINHUA headline ]

[Text] Washington, October 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said today that for a more smooth course of development of the China-U.S. relations, "the obstacles yet to be overcome must be removed."

Speaking at a banquet given in his honor by U.S. Secretary of State George Shultz, he said: "We have always maintained that in order to remove the obstacles in the way of our bilateral relations, the crucial thing is to respect each other's sovereignty and territorial integrity, refrain from interference in each other's internal affairs, and strictly observe the principles set forth in the Sino-U.S. communiques."

While greeting the recent signs of a turn for the better in the China-U.S. relations, Wu said that if the obstacles are removed, "our joint efforts should be able to yield far greater results in our bilateral relations than those achieved in the past decade."

China has always attached importance to the development of relations with the United States and friendly exchanges between the Chinese and American peoples which dates back long ago, the Chinese foreign minister said. "Furtherance of our bilateral relations accords with the desire of our two peoples, and there are many favorable conditions available for its realization."

Wu said China "will, as always, pursue an independent foreign policy, persistently oppose hegemonism and safeguard world peace and work hard to maintain and develop normal relations with all countries on the basis of the five principles of peaceful coexistence."

He said China, engaged in its modernization program, hopes to absorb everything that is advanced in science, technology and culture, learn from the strong points of all other nations, and develop friendly cooperation with other countries in the economic, technological, cultural, educational and other fields "on the basis of equality and mutual benefit."

"In this connection, a lot can be done between China and the United States," he added.

Wu said he is confident that his current visit, the first he paid to the United States, "will yield useful results in deepening our mutual understanding and strengthening our bilateral relations," so long as the two sides have a full exchange of views on issues of common concern "in a spirit of friendship, frankness, mutual respect and cooperation."

Referring to international situation, Wu said, "tensions and turbulences in many regions have caused wide-spread anxiety and concern among the peoples throughout the world."

He said that foreign ministers of other countries, whom he met at the United Nations recently, all voiced the hope that disarmament would yield genuine results and conflicts between countries could be settled by their own peoples through the peaceful means of negotiations. China shares the same feeling with those countries, he added.

#### Feted by Shultz

OWI20821 Beijing XINHUA in English 0805 GMT 12 Oct 83

[Text] Washington, October 11 (XINHUA) -- U.S. Secretary of State George Shultz said here today, "good U.S.-China relations pose a threat to no other people; they are of benefit to all."

He added that "in this dangerous and interdependent world, the peoples of the Pacific region, and the people of the world, need a United States and China that are cooperating for stability and peace." He pointed out that his talks with visiting Chinese Foreign Minister Wu Xueqian are evidence of "the essential good state" of U.S.-China relationship and their determination to go forward "in the interest of all."

Shultz was speaking at a banquet he gave in honor of Wu Xueqian. The banquet was attended by U.S. cabinet ministers, business leaders and Chinese Ambassador to the United States Zhang Wenjin.

In his toast, Shultz said that the United States and China have much in common but also have had and will continue to have differences. "On occasion, we have been troubled by your positions as you have been troubled by ours. Differences in opinion or approach are normal in any relationship, and particularly in one as rapidly developing and complex as that between the United States and China," he stated.

"We are two friendly, but proud and independent, nations. What is essential is that we come to know each other better, that we make the effort to understand our respective systems better, that we learn to communicate effectively and often with each other, and that we imbue the relationship with a healthy amount of mutual trust."

Citing the high-level exchanges since his visit to China last February, Shultz indicated: "We have learned that through a process of discussion, development of understanding and good will, and an appreciation of the mutual benefits of the relationship, the problems between us can be lessened and cooperation promoted."

He went on to say that President Ronald Reagan regards China as "an important friend of the United States" and "took a highly significant step when he chose to classify China with other friendly non-allied countries and liberalize exports of advanced technology to China."

Describing the Chinese foreign minister's visit as "another important step" in the direction of progress in the U.S.-China relationship, Shultz said: "I am confident that the exchange of visits between Premier Zhao and President Reagan scheduled for the months ahead will advance the process still further."

Commenting on the development of U.S.-China relations over the past eleven years, Shultz noted: "We have learned how strong the common interests are that bring us together." He said, "we are learning as well how to manage our differences carefully, fairly, and in the best interest of a mutually beneficial relationship."

#### RENMIN RIBAO VIEWS U.S. PRESIDENTIAL CAMPAIGN

HK071343 Beijing RENMIN RIBAO in Chinese 7 Oct 83 p 7

[ "Newsletter From America" by reporter Zhang Liang: "Campaign Activities Prior to the U.S. Presidential Election Year" ]

[Text] Although there is still one year before the 1984 general election, campaign activities have already begun in the United States. In the Democratic Party, seven people have announced their entry into the campaign. Former Vice President Mondale has successively won the support of the National Education Association, the AFL-CIO, and the Democratic Party convention in Maine. As for the Republican Party, although Reagan has not formally announced that he will enter the campaign, he has agreed to the Republican National Committee establishing a campaign group for him.

Now, the competitors in the Democratic Party have entered into fierce rivalry for their party's nomination as candidate for president. A recent public opinion poll shows that former Vice President Mondale and the astronaut Glenn have a safe lead over the others. It is expected that they will contend with each other at the Democratic national convention, which will be held next July. But the recent development of events is more favorable for Mondale. On 1 October, the AFL-CIO executive board passed a decision by an overwhelming majority, endorsing Mondale as its candidate for the presidency. This decision is expected to be adopted by the AFL-CIO national congress. The AFL-CIO is the largest labor organization in the United States, under which there are 98 unions having some 13.9 million members. This is the first time in history that the AFL-CIO has made a decision on supporting a candidate for the presidency before the primary elections. Of course, the decisions of the AFL-CIO and the National Education Association do not mean that all their members at the grassroots unanimously support Mondale. For this reason, Glenn said that he would do his utmost to win over ordinary workers and teachers.

In the Republican Party, as early as January this year, the party's National Committee had already decided to select Reagan and Bush to join the campaign. With the improvement of the U.S. economic situation, Reagan's prestige has been enhanced. Reagan himself has also repeatedly expressed that he is disposed to join the campaign again. At the same time, almost all high-ranking government officials hold that Reagan's entry into the campaign is a foregone conclusion, because if he does not join the campaign, "splits" and "internal war" will appear within the Republican Party, which will place this party in an unfavorable position. As a matter of fact, since the beginning of this year, Reagan has already been engaged in campaign activity in the form of an "undeclared war." He has visited, in succession, a number of factories, schools, farms, and various social organizations and has made some "campaign" speeches to win over more voters.

"What is it that the voters are taking the greatest interest in at present?" When this reporter asked some Americans this question, almost all of them replied: "The economy and peace." The Democratic Party once regarded the economic depression and the growth of the unemployment rate in the past few years as a "gangplank" for taking over the presidency. However, this year, the U.S. economy has risen again and the unemployment situation has improved. This undoubtedly is favorable for Reagan's return to the presidency. But Reagan's policy of cutting social welfare expenses has caused grievances among the broad masses of workers and women, as well as the poor and blacks. Therefore, these people will become the main supporters of the Democratic Party. Besides, quite a few voters do not favor Reagan's policy of arms expansion. They have shown more and more concern over the disarmament talks between the United States and the Soviet Union, which have been at an impasse for a long time, U.S. intervention in Central American affairs, and the tense situation in Lebanon. They are apprehensive that Reagan's military and foreign policies may probably intensify the confrontation between the United States and the Soviet Union and the international situation.

There is another new trend in the present campaign, that is, the black leader Jesse Jackson is considering whether he will become a candidate of the Democratic Party. He said he will make a decision in the near future. He enjoys wide support of black people at the grassroots and is also engaged in positive activities among black voters. However, within black organizations, there are different opinions. Jackson himself also admits that he will not succeed if he joins the campaign, but his action will force the Democratic Party to work out some policies which are favorable for black people, and will also bring pressure to bear on Reagan and the Republican Party. If Jackson announces that he will join the campaign, he will become the first black in U.S. history to enter the presidential election competition.

It can be predicted that as the presidential election year draws near, rivalries in the U.S. campaign will become more and more acute with each passing day.

COMMENTARY SAYS SRV CEASE-FIRE PROPOSALS 'PROPAGANDA'

OW111905 Beijing XINHUA in English 1844 GMT 11 Oct 83

["Commentary: Vietnamese Authorities' Statements and Actions" -- XINHUA headline -- by XINHUA correspondent Tang Tianri]

[Text] Beijing, October 11 (XINHUA) -- More than one month ago, the Vietnamese Foreign Ministry proposed with notes and statements that both China and Vietnam stop military actions and other hostile activities at the border areas of the two countries during their National Day celebrations from August 30 to October 8. It also said that the proposal was a "sincere" one and Vietnam has ordered its armed forces to "strictly" carry out the proposal, and so on and so forth. But what do the facts show?

During the period of National Day celebrations of both countries, the Vietnamese troops stepped up their armed provocations against China at the border area instead of "strictly carrying out" the so-called "ceasefire" proposal raised by the Vietnamese authorities. According to incomplete statistics, from the end of August through September, Vietnamese troops carried out over 30 cases of armed provocations and intrusions in the Sino-Vietnamese border areas. With over 2,000 rounds of ammunition fired into China, they killed and wounded a number of Chinese border inhabitants. Besides, Vietnamese battleships intercepted, on the open sea in Beibu Gulf, two Chinese fishing boats and robbed the Chinese fishermen of their identification cards and a quantity of objects.

What can be concluded from such Vietnamese acts is that the statement of the Vietnamese authorities is incredible and their proposal of the so-called "National Day celebration ceasefire" is purely raised for propaganda.

Everybody knows that what the Chinese Government and people are hoping is that there would be an environment of lasting peace, tranquility and stability at the Sino-Vietnamese border, not merely a short period of calm during the Spring Festival (Tet) or National Day celebrations. The tense atmosphere along the border areas between the two countries in the recent years is all made by the Vietnamese side under its anti-China policy.

So long as the Vietnamese Government stops its military provocations and invasions, these border areas may once again become peaceful and stable at any time, not only during the Spring Festival or National Day celebrations. This proposal on cease-fire during holidays, together with their proposals on partial troops withdrawal from Kampuchea and on regional dialogues only serve as a cover for their invasion and military provocations, which make up their dual tactics in pursuing regional hegemonism. The same tactics have been applied to China, the Association of the Southeast Asian Nations and some other countries. It is necessary to keep on high guard against the schemes.

SRV FOREIGN MINISTER DENOUNCED FOR STATEMENTS AT UN

PRC UN Representative's Speech

OW120823 Beijing XINHUA in English 0755 GMT 12 Oct 83

[Text] United Nations, October 11 (XINHUA) -- Chinese Permanent Representative to the United Nations Ling Qing today described the recent slanderous remarks against China made by the Vietnamese foreign minister as aimed "to cover up Vietnam's crime of aggression against Kampuchea."

Addressing a U.N. General Assembly session on October 7, Vietnamese Foreign Minister Nguyen Co Thach slandered China by saying "for two thousand years, Chinese administrations have considered Southeast Asia a part of its traditional sphere of influence, with Vietnam as the main object of its conquest" and China is now still "carrying out its hegemonist policy against the Indochinese countries." By calling white black, he alleged "China is, at present, the main obstacle to a peaceful solution in Southeast Asia."

In exercising the right of reply, Ling Qing told today's General Assembly session that "unhappy incidents did occasionally happen between the two countries during the time of feudalist rule when the Chinese people were not in power. But ever since the founding of the People's Republic of China, the Chinese people have all along supported the Vietnamese people in their struggles for national independence and for the unification of their fatherland, providing them with a large amount of assistance with no string attached and not hesitating even to make the maximum national sacrifice."

He added, "It was only after Vietnam had committed aggression against Kampuchea, pursued an anti-China policy and a policy of discrimination against the Chinese and provoked large-scale armed conflicts one after another along the border that the Chinese Government was compelled to fight back in self-defense for a short period."

"Even now, when Kampuchea is still under the conditions of Vietnamese occupation, the Chinese Government has formally declared that if the Vietnamese Government commits itself to withdraw all its troops from Kampuchea and takes practical steps to honor its commitment, the Chinese side will be ready to resume negotiations with Vietnam for the normalization of relations between the two countries."

Referring to the Vietnamese authorities' assertions that the non-aligned summit conference has adopted "correct resolutions" to deny recognition of the coalition government headed by Sihanouk and to leave the Kampuchean seat vacant, Ling Qing said such assertions are utterly untenable. "Democratic Kampuchea is in the first place a member of the Nonaligned Movement and Prince Sihanouk is one of its founders," he said. It was only because certain people abused their power at the sixth non-aligned summit that Democratic Kampuchea was deprived of the right to be represented at the conference. Such abnormal state of affairs gave rise to resentment and opposition among many participating countries, and it was decided at the 1983 New Delhi Conference of Foreign Ministers of the Nonaligned Countries that this matter be left to the Coordination Bureau of the Nonaligned Movement for a settlement, he recalled.

"All this fully shows that leaving the Kampuchean seat 'vacant' is neither legitimate nor correct, and still less has it been an unanimous decision of the movement." He added that the final document of the seventh conference of heads of state or government of nonaligned countries calls for a comprehensive political solution which includes the withdrawal of all foreign forces from Kampuchea. "If the Vietnamese authorities really wish to respond to the call of the non-aligned summit, they should then pull out all their troops from Kampuchea immediately and unconditionally," he asserted.

#### Beijing Vietnamese Commentary

OW091347 Beijing in Vietnamese to Vietnam 1100 GMT 8 Oct 83

[Commentary by station correspondent Li Guang]

[Text] Vietnamese Foreign Minister Nguyen Co Thach recently advanced this proposal at the United Nations: If the ASEAN countries give up their demand for the Vietnamese troops' withdrawal from Kampuchea, Vietnam will then not raise the issue of the UN seat for Democratic Kampuchea [DK] in the UN General Assembly. But the foreign ministers of the ASEAN countries have definitively rejected this proposal.

As everyone knows, since Vietnam staged its armed aggression against Kampuchea, four successive sessions of the UN General Assembly have passed resolutions urging the total withdrawal of Vietnamese troops from that country, in protecting the DK's legal seat at the United Nations. However, over the past years the Vietnamese authorities have categorically refused to implement this resolution.

In the debate on the Kampuchean issue at the current UN General Assembly session, the Vietnamese authorities, fearing that they will be brought before the bar and once again condemned by the international community, have reluctantly resorted to the trick of stepping backward with a view to luring the ASEAN bloc and the international community into accepting Vietnam's aggression against Kampuchea as a fait accompli so that the Vietnamese troops can stay in that country for a long time. This fact shows that the Vietnamese authorities are scared, and at the end of their argument before world public opinion.

The UN General Assembly's resolution on the Kampuchean issue cannot be divided and distorted. The protection of the DK's legal seat at the United Nations is fully consistent with the demand for the total withdrawal of Vietnamese troops from Kampuchea.

The Vietnamese authorities have thus attempted to use their abstention from raising the issue of the DK's UN seat as a condition in their political deal and in exchange for an ASEAN concession in principle with the aim of legalizing their aggression against, and endless occupation of Kampuchea. However, the ASEAN countries are well aware of Vietnam's plot and have exposed the substance of its proposal.

In fact, Nguyen Co Thach is not smart. His new proposal, which he has noisily peddled, can by no means change Vietnam's isolation but has revealed the stubborn stand of the Vietnamese authorities, which have continued to oppose the UN General Assembly's resolution, and the international community.

RENMIN RIBAO 8 Oct Commentary

HK080724 Beijing RENMIN RIBAO in Chinese 8 Oct 83 p 6

[ "Short" commentary: "Showing Signs of Embarrassment" ]

[Text] Vietnamese Foreign Minister Nguyen Co Thach engaged in a bit of political dealing at the UN General Assembly, but failed. Nguyen Co Thach proposed to the ASEAN countries that if they abandoned their demand at the General Assembly that Vietnam withdraw its troops from Kampuchea, Vietnam would not raise at the assembly the question of the seating of Democratic Kampuchea. The ASEAN foreign ministers attending the UN General Assembly upheld their solemn and just stand on the Kampuchea issue and flatly rejected the Vietnamese proposal.

Four successive sessions of the UN General Assembly have passed resolutions demanding the total withdrawal of Vietnamese troops from Kampuchea and upholding the legitimate seating of Democratic Kampuchea in the United Nations. For several years, however, the Vietnamese authorities have stubbornly clung to their position of aggression against Kampuchea and refused to carry out the UN General Assembly resolutions. They themselves knew well that when the current session of the assembly discussed the Kampuchea issue, Vietnam's aggressive move would again be condemned and opposed. In order to extricate themselves from their difficulties and ease the pressure from the international community, the Vietnamese authorities thought up this trick in a vain attempt to lure and deceive the international community into recognizing Vietnamese aggression against Kampuchea as a fait accompli, so that Vietnamese troops could hold on in that country for a long time. This has fully shown how conscience-stricken and in the wrong the Vietnamese authorities feel in the face of world opinion.

In fact, it was certain that this deal Nguyen Co Thach engaged in could not succeed, because upholding the seating of Democratic Kampuchea in the United Nations and demanding total Vietnamese withdrawal from Kampuchea are both aimed at opposing aggression and expansion and upholding the principles of international relations and the principles of the UN Charter. All the UN General Assembly sessions since the Vietnamese invasion of Kampuchea have passed resolutions demanding that Vietnam withdraw its troops from that country and also advocating upholding the legitimate seating of Democratic Kampuchea in the United Nations. This precisely reflects the common aspirations and demands of the international community; so how could the ASEAN countries be fooled by Nguyen Co Thach? The so-called proposal put forward by Nguyen Co Thach to ASEAN is something that he knows to be impossible to accomplish. The Vietnamese authorities are showing signs of embarrassment.

## RENMIN RIBAO 9 Oct Report

HK090718 Beijing RENMIN RIBAO in Chinese 9 Oct 83 p 6

[*"Special Dispatch" by correspondent Chen Yicun: "Nguyen Co Thach Stubbornly Clings to His Position on Aggression Against Kampuchea at the UN General Assembly"*]

[Text] United Nations, 7 Oct -- Speaking at the UN General Assembly on 7 October, Vietnamese Foreign Minister Nguyen Co Thach viciously attacked the five members of ASEAN and China, which resolutely oppose Vietnamese aggression against Kampuchea, thus revealing yet again that the Vietnamese authorities are paying no heed to UN resolutions calling for the withdrawal of foreign troops from Kampuchea and are stubbornly clinging to their position of aggression against Kampuchea.

Heedless of the fact that Vietnam has seized and occupied Kampuchea and stationed troops in Laos, Nguyen Co Thach reversed right and wrong by attacking Thailand and other ASEAN countries for "colluding with" China, Japan, and the United States "in joint opposition to the countries of Indochina." He raved: "China is now the main obstacle to a peaceful solution of the Southeast Asia problem."

With this as his pretext, he threatened that Vietnam would only agree to withdraw its troops from Kampuchea after the "security" of the Heng Samrin puppet regime had been guaranteed. This further showed that the Vietnamese authorities will continue to fabricate all kinds of excuses for holding on to Kampuchea.

Nguyen Co Thach also denounced as unacceptable the demand of the ASEAN countries that Vietnam withdraw its troops from Kampuchea and that Kampuchea be "neutralized." He also openly censured the United Nations for passing certain "erroneous resolutions" on the Kampuchean issue and on the seating of Democratic Kampuchea in the United Nations, thus opposing the great majority of UN member states.

What is laughable is that at a press conference on 6 October, Nguyen Co Thach opposed China's move in raising the matter of eliminating the three big obstacles, including putting a stop to Vietnamese aggression against Kampuchea, in its talks with the Soviet Union. He had the effrontery to say that he "naturally did not agree" to neighbors "bartering our wives and children." The reporters rocked with laughter at this Vietnamese foreign minister openly posing as the husband and father of the Heng Samrin puppet regime. However, this also explicitly illustrated relations with the Kampuchean puppet regime, as seen through the eyes of the Vietnamese authorities.

MEDIA STRESS NEED TO STUDY DENG'S 'WORKS'

RENMIN RIBAO Commentary

HK120745 Beijing RENMIN RIBAO in Chinese 9 Oct 83 p 1

["Short" commentary: "Make Efforts To Study Original Works"]

[Text] Since the "Selected Works of Deng Xiaoping" was published the public both inside and outside the party, including cadres and the masses, have all earnestly studied this book. Localities and departments have also used various methods to help people understand the spirit and essence of these works. They are right in so doing. However, it is more important to encourage people to study the original works. All comrades who can read should earnestly study the original works. Only thus can they directly, accurately, and comprehensively understand the "Selected Works" and realize how Marxism-Leninism-Mao Zedong Thought was upheld and developed in the past 8 years.

The "Selected Works of Deng Xiaoping" demonstrates the developmental course of our great motherland in the period from 1975 to 1982. Every one of us personally experienced this period and is an eyewitness of this section of history. In this period we successfully made a decisive turn in the course of history, and the party and government adopted and implemented a series of important policies which profoundly influenced affairs in the political, economic, military, and cultural fields. We have personal experience of all this. So, if we associate our studies with what we have experienced in the past and at present, it will be easier for us to understand the contents of the "Selected Works."

At the same time we should also notice that the "Selected Works" is not only of great historical and immediate significance but also of theoretical significance. All of the relevant line, principles, and policies put forward in the "Selected Works" have as their theoretical foundation the creative ideas summarized by Comrade Deng Xiaoping by using Marxism-Leninism-Mao Zedong Thought to analyze our country's reality in the new historical period. Therefore, we should more assiduously study the original works and really master the stand, viewpoints, and methods used by Comrade Deng Xiaoping and other leading members of party central authorities in their collective efforts to analyze actual issues. Only thus can we correctly grasp the basic spirit of the "Selected Works" and more conscientiously maintain a correct political position with the party central leadership.

ZHONGGUO QINGNIAN BAO on CYL

HK120551 Beijing ZHONGGUO QINGNIAN BAO in Chinese 27 Sep 83 pp 1, 2

[Article by the Secretariat of the CYL Central Committee: "A Guiding Document for the CYL's Work in the New Period" -- boldface as published]

[Text] In response to the call of the party Central Committee the whole party, the whole army, and the people of the whole country are now absorbed in the study of the "Selected Works of Deng Xiaoping." The "Selected Works of Deng Xiaoping," which consists of his excellent theory and brilliant ideas, is not only an important theoretical weapon for the whole party and the people of the whole country in building socialist modernization but also is a document that guides our country's youth movement to advance in a correct direction and leads the CYL to size up the new situation and to blaze a new trail in its work in the new period.

Comrade Deng Xiaoping all along has called for paying attention to youth work and giving loving care to the growth of teen-agers. Of the 47 articles selected in the "Selected Works," 16 directly approach the problem of young people and youth work.

These articles explicitly expound the orientation, principles, priorities, and methods of education for young people in the new period from the high plane of the all-round work of the party and state. Some other articles do not speak directly of youth work or young people's problems and mainly deal with important theory and policies on the construction of the party and state during the period of the historical turning point. In spite of this, they are still very useful to us in solving young people's problems. We must therefore conscientiously study the "Selected Works of Deng Xiaoping," grasp its essence, and implement it in the CYL's practical work. This will certainly be of great help in pushing the CYL's work forward and creating a new situation in the new period. The guiding significance of the "Selected Works of Deng Xiaoping" for the CYL's work in the new period can be summarized in the following four areas.

1. TO FURTHER ENSURE THE GUIDING PRINCIPLE OF TAKING THE FOUR MODERNIZATIONS AS A KEY TASK AND TO SHIFT THE FOCUS OF THE CYL'S WORK ONTO THE BUILDING OF SOCIALIST MODERNIZATION

Through summing up both positive and negative experiences in the socialist revolution and construction carried out by the Chinese people after completing the socialist transformation of our country's means of production, Comrade Deng Xiaoping clearly pointed out several times that the building of socialist modernization concerns the interests of our entire party and is also the greatly desired goal of the party and people of the country, and that it is also the key task for the present and for a considerable time in the future. He also noted that the success or failure of the four modernizations determines the destiny of our country and of our nation. The idea of Comrade Xiaoping completely conforms with the basic tenets of Marxism, the actual situation in China, and the wishes of the whole party and of the people of the country. Based on this idea, the 3d Plenary Session of the 11th CPC Central Committee promptly made the strategic decision to shift party's work focus to the building of socialist modernization, thereby effecting the most important historical change since the founding of the republic.

One of the CYL's major tasks is to lead the youth of our country to take an active part in socialist economic construction and to strive to be shock workers in the struggle for production. This is in fact the CYL's glorious tradition, and it has become experienced in this field of work. However, due to the disruption of the "left" deviation, the CYL's work was put onto the track of "taking class struggle as the key link." Especially during the "Cultural Revolution," the CYL leadership system was destroyed and the CYL was blackened as a "production league" because of its frontline role in production. All this caused very bad effects. Before and after the third plenary session, Comrade Xiaoping made a series of statements and instructions which helped to differentiate right from wrong on many important theoretical problems, thereby defining a correct direction for the CYL's work. In March 1979 the CYL called a meeting of secretaries of committees at the provincial, city, and autonomous regional levels, clearly defining that "the main task for the youth in the new period is to study for, and work for the four modernizations." The 2d Plenary Session of the 10th CYL Central Committee further stated that "the CYL's work must be centered around the four modernizations," thus mainly setting right the CYL's work. In recent years a drive of "striving to be shock workers in the new long march" has been widely launched among the country's youth. This is an effective and useful method and successful experience of mobilizing the youth to work for the four modernizations, and has opened up a wide scope for the CYL's work in the new period. However, we must be aware that the guiding ideology of "centering around the four modernizations" has not yet been rooted in all CYL cadres. In some places and units the CYL's work is sometimes separated from the four modernizations, and its political work loses contact with economic work.

All these problems must be seriously overcome. All CYL cadres -- especially its leading cadres -- must be clearly aware that today, when the focus of the party's work has been shifted to the four modernizations, the CYL's work must also center tightly around the work of the party; that is, to kindle some significant activities which are constructive to socialist construction and to integrate ideological work with economic work. Only by so doing will the CYL be able to display its influence and strength. For this reason we must persist and never waver, or must even be somewhat "stubborn" as Comrade Xiaoping emphasizes.

## 2. TO PERSIST IN FIGHTING ON TWO FRONTS SO THE YOUTH MOVEMENT AND THE CYL'S WORK CAN ALWAYS BE STEERED IN THE CORRECT POLITICAL DIRECTION

Our party faced a complex struggle before and after the third plenary session. On the one hand the "left" pernicious influence of dogmatism and the ossified way of thinking still ran wild and was rampant in the party and society. On the other hand, under the banner of emancipation of minds and fostering of democracy, some people within the party and in society incited the ideological trend of bourgeois liberalization. Under such circumstances, with the keen political insight and uncommon bravery of a Marxist, Comrade Xiaoping led the whole party to persist in fighting on two fronts -- fighting against both the "left" and right deviations. During this time Comrade Xiaoping made a series of expositions on emancipating minds and persistence in the four basic principles, which were very important for guiding our country's youth movement. At that time, young people deeply realized the disastrous harm of a rigid way of thinking and of the blind faith that the 10 years of turmoil had brought to the country, so they eagerly hoped that blind worship would be eliminated and minds would be emancipated. Comrade Xiaoping's expositions on emancipation of minds greatly inspired young people, and as theory, they guided them to fight heroically and with a high degree of political enthusiasm in the struggle against the "two whatevers," thus making their contributions to the progress of history. On the other hand, in the wake of the bitter wounds of the 10 years of turmoil and some new conditions stemming from the introduction of the open-door policy, the youth became puzzled in the complicated situation of doing away with the old and setting up the new, and of righting our practical work on all fronts. They boldly probed into things but sometimes failed to differentiate the good and the bad; they boldly smashed the old bonds of tradition but often lacked vigilance against the corrosive influence of bourgeois ideology. Therefore, some young people were at a loss and their conviction wavered when the trend of bourgeois liberalization appeared. Several times Comrade Xiaoping seriously pointed out problems which had arisen among the youth and aroused the attention of the party and the CYL. He said: "Now, some people, particularly some young people, suspect the socialist system, alleging that socialism is not as good as capitalism. Such an idea must be adequately corrected." He stressed: "We must emphatically explain the problem of democracy to the people, including young people." "To the people, particularly young people, we must repudiate the reactionary and rotten things of capitalist countries while recommending progressive and useful things." Comrade Xiaoping also pointed out: "All of our achievements should in no way be separated from the leadership of the CPC and of Comrade Mao Zedong. It is precisely this problem that many of our young people fail to understand well." "Young people should study history. They do not know our history, especially the history of the Chinese revolution and of the CPC." Young people are the most active and vigorous force in society, but they are liable to be attacked and affected by erroneous ideological trends. Therefore, the CYL's political work should always be focused on steering young people in the correct political direction.

The above-mentioned instructions by Comrade Deng Xiaoping enlighten us that the correct direction for young people and the CYL is persistence in the four basic principles and guarding against all sorts of disruption caused by "left" and right deviations. The theory and practice of Comrade Xiaoping of fighting on two fronts is, no doubt, of great significance for the younger generation in helping their healthy growth in the political field, fortifying their faith in communism, and encouraging them to play a much more active part in the state political activities and economic construction.

### 3. IN ORDER TO STRENGTHEN THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION, THE CYL MUST FIGHT IN THE FOREFRONT OF CHANGING THE SOCIAL ATMOSPHERE

In the "Selected Works of Deng Xiaoping," Comrade Xiaoping explicitly points out that, while working for socialist material civilization, we must strive to build a high level of socialist spiritual civilization. When expounding on the building of spiritual civilization, he always links this issue with the education of the young people, the change of social atmosphere, and the cultivation of a younger generation for communism. In the "Selected Works," he repeatedly spoke favorably of young people who were nursed by the party in the 1950's and 1960's for their noble ideals, good discipline, and good spirit of dedication in loving the motherland, supporting the party and government, safeguarding the interests of the people, and maintaining social order. He emphatically noted: "Lin Biao and the 'gang of four' have poisoned a number of young people, and the socialist morality and custom have been severely impaired. Such a situation goes counter to the needs of shifting the focus of our party's work. We must educate our rising generation well. We must take effective measures by every possible means to improve our country's social atmosphere and to strike blows at all sorts of evil doings in society." Meanwhile, he also demanded that our educational work in the new period cultivate ideas, morality, culture and discipline in the young people. After the third plenary session, CYL organizations at all levels took this demand as a guide in assigning their work. In coordinating with other departments concerned, the CYL launched a series of activities among young people such as mentally transforming the less advanced youth, helping educate young criminals, educating young workers for raising their sense of responsibility in work, helping peasants understand the all-round contracted system as well as the drive of "five stresses, four beauties, and three loves," and the activity of civility and courtesy month. All these activities helped in the change of social atmosphere and the cultivation of good morality and custom among the young people. The convention of the 11th CYL Congress, which defined "blazing new trails" as one of the three major tasks for the country's youth, greatly unleashed the enthusiasm of the young people. The appearance of Zhang Haidi in our ranks, who represented the mental attitude of young people in the 1980's, evoked strong repercussions among millions and millions of young people. It is believed that the CYL can surely play a special role in, and make greater contributions to the building of socialist spiritual civilization and the improvement of social atmosphere so long as it seriously works in accordance with the instructions of Comrade Xiaoping.

### 4. PAY HIGH ATTENTION TO KNOWLEDGE AND THE ROLE OF INTELLECTUALS AND CULTIVATE THE YOUNG PEOPLE TO BE NEW-TYPE QUALIFIED PEOPLE WHO WILL BE ABLE TO MEET THE NEEDS OF MODERNIZATION

Comrade Xiaoping all along has given attention to knowledge and stressed the importance of developing education and science to meet the needs of the four modernizations. At the time when the "gang of four" exercised unbridled dictatorship in the cultural field, carried out their obscurantist policy, and took a hostile attitude toward knowledge, Comrade Xiaoping sharply pointed out in 1975: "Now, a great number of students are absent from school; this does not conform to Mao Zedong Thought."

"Comrade Mao Zedong opposes the education that is divorced from reality, the masses, and labor. This does not mean that students do not need to study, but that they should study harder and better." After the smashing of the gang of four, having drawn the bitter lesson of the 10 years of turmoil, Comrade Deng Xiaoping persistently urged that the whole party and the people of the country attach importance to knowledge. Under the situation at that time, his appeal no doubt made a great impact on the people. While energetically advocating respect of knowledge and qualified people, he also made an effort to set right a series of the party's policies on knowledge and intellectuals. Theoretically, he made scientific expositions on the principle that intellectuals are a part of the working class, the political implication of "red" and white," the relationship between "red" and expert," the cultivation and management of qualified people, and policies on education and scientific research. Meanwhile he also put forward concrete policies to that effect in line with actual conditions. Thanks to Comrade Xiaoping's expositions these problems, which had been pending for a long time due to "leftist" influences, became very clear to and were well understood by the whole party and the people of the country. This greatly aroused the initiative of the broad masses of people, especially of those who engage in scientific, technical, and educational work, and sounded the advance of the march toward the progress of science by people of all nationalities. In recent years, a craze for acquiring knowledge and reading books has spread widely among the broad sections of the young people. This is the fruit of our party's correct ideology represented by Comrade Xiaoping. Comrade Xiaoping also believes that the healthy growth of the younger generation with good command of scientific and cultural knowledge will promise hopes of prosperity of our cause. To make young people qualified for the four modernizations and to fulfill the historical tasks which rest on our shoulders, the CYL must take it as its major task to help the youth grasp scientific and cultural knowledge and revolutionary theories and to speed up the intelligence exploitation of the young people. The midsummer craze of study among young people in recent years fully proves that the broad sections of the youth are eager about knowledge and love to study. So long as the CYL does well in grasping the study of young people, it will surely create a new situation in youth work. Through its well-established organizations, painstaking ideological education, and varied forms of activities, the CYL can surely play an essential role in promoting book learning among the young people and helping them overcome difficulties in study.

The "Works of Deng Xiaoping" has substantial content and is a very important guiding document for the CYL's work. It is also the source of progress for all young people in learning revolutionary theories and fostering a correct outlook on life and on the world. Let us study the "Selected Works of Deng Xiaoping" harder and use it as a weapon in creating a new situation in the CYL's work and in striving for still greater achievements.

#### HONGQI Article on Intellectuals

HK120232 Beijing CHINA DAILY in English 12 Oct 83 p 4

[Boldface as published]

[Text] THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA IS DETERMINED TO KEEP UP THE NEW POLICIES ON INTELLECTUALS REFLECTED IN THE "SELECTED WORKS OF DENG XIAOPING" TO WIN COMPLETE AND FINAL VICTORY IN THE STRUGGLE OVER THE INTELLECTUAL PROBLEM, SAYS GONG YUZHI IN AN ARTICLE IN THE LATEST ISSUE OF HONGQI (RED FLAG, THE PARTY CENTRAL COMMITTEE'S THEORETICAL JOURNAL). EXCERPTS OF THE ARTICLE FOLLOW:

Nearly half of "Selected Works of Deng Xiaoping" is devoted to intellectuals and education, science and culture. They show how leaders of the party Central Committee have rectified past errors in treating intellectuals and decided new policies.

To better understand Deng Xiaoping's commentaries on intellectuals, it is necessary to look back.

Discrimination against intellectuals began even before 1956. By 1957, when the struggle against a handful of bourgeois rightists was broadened, many intellectuals, patriots and party cadres were unjustifiably attacked. During the "Cultural Revolution," intellectuals were systematically persecuted. The error damaged relations between the party and intellectuals, and hindered political, economic and cultural development. Its aftermath and influence still remain an obstacle to be overcome.

In 1975, when Deng took charge of the day-to-day work of the party Central Committee, he warned that the crisis in education threatened to endanger the four modernizations. Deng quoted Chairman Mao -- "Stay with us, my ninth brother," (a line from a popular Beijing opera) -- to show that intellectuals, then called the "stinking ninth brother," should no longer be excluded.

Comrade Mao Zedong, however, could not bear to accept systematic correction of the errors of the "Cultural Revolution" by Comrade Deng Xiaoping, so he triggered the movement to "critize Deng and counter the right deviationist trend to reverse correct verdicts." Deng was accused, among other things, of opposing the reform of bourgeois intellectuals, and removed from his posts.

Not long after the downfall of the gang of four, Deng again focused attention on the problem. In "Respect Knowledge and Respect Talented Persons," he said: "All those engaged in mental and physical work are workers."

In July 1977, Comrade Deng Xiaoping was restored to office by the Third Plenary Session of the Tenth Party Central Committee. In his speech to the session, he mentioned intellectuals as an example of a problem where it was essential to understand Mao Zedong Thought in its entirety.

#### Appraisals

At that time, the obstacle to further progress lay in two appraisals made in the summary of the 1971 National Conference on Educational Work, which concluded that a great majority of intellectuals were bourgeois intellectuals and they had dominated the proletariat in schools and universities.

In August and September 1977, Deng tried to have the two appraisals overturned. It took courage to do so, because Chairman Mao approved the conference summary. Although he had passed away, whatever policy decision he had made and whatever instruction he had given were considered as correct. Deng told leaders of the Ministry of Education to "think with your own minds."

In March, 1978, Comrade Deng delivered an important speech to the National Science Conference. The speech is now considered as a guide to the making of the policies concerning intellectuals in the new period. It was the continuation and development of late Premier Zhou Enlai's ideas, reflected in his speeches on intellectuals in 1956 and 1962. As Zhou before him, Deng stressed the need to give a realistic assessment of Marxism to the class nature of Chinese intellectuals.

He said: "In general, a great majority of intellectuals have become intellectuals of the working class and other labouring people.

"That is, they have become part of the working class. The difference between intellectuals and physical workers lie in the fact that they are engaged in different jobs. Physical workers or intellectual workers are all labourers of our socialist society."

#### New Subject

Since then, Deng has continued to lay stress on the problem of intellectuals, but focusing on a new subject. In January 1980, Deng in his speech "On the Present Situation and the Task" said that China needed more cadres who adhere to the socialist road, and are professionally competent, and this was the precondition to realization of the four modernizations.

In August, Deng in "On the Reform of the System of the Party and Government Leadership" said not enough attention had been paid to making the ranks of cadres better educated and professionally competent, owing to the influence of the "leftist" ideas with regard to intellectuals that had long existed.

In July 1981, Deng said particular attention should be paid to promoting college graduates of the 1960s to leading posts at all levels.

In January 1982, Deng in "Streamlining Administration Is a Revolution" stressed the need to make the ranks of cadres revolutionary, younger in average age, better educated and more professionally competent, saying it was the strategic consideration for our revolution and construction. He said it was the last historical contribution that old cadres should make to the party.

These commentaries show that Deng has concentrated his mind on the new problem -- materializing the shift of the focus of party and government work to socialist modernization and the change of the party's policies concerning intellectuals in the party's organizational line, namely, in the component of the ranks of cadres.

Such materialization is a vital step in continuing the progress of strengthening the party's policies concerning intellectuals.

#### Paper on 'Chinese' Socialism

HK120520 Beijing GUANGMING RIBAO in Chinese 25 Sep 83 p 3

[Article by Wu Zhenkun: "On the Inquiry Into 'Building Socialism With Chinese Characteristics' -- Studying 'Selected Works of Deng Xiaoping'" -- boldface as published]

[Text] In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping put forth the new topic of "building socialism with Chinese characteristics." This is the aim of the struggle for our socialist modernization, and the great program for building our country into a highly civilized and highly democratic socialist power.

The topic of "building socialism with Chinese characteristics" has two implications: one is building socialism; and the other is possessing Chinese characteristics. To have a correct grasp of this topic we are required, on the one hand, to study the discussions on socialism -- which are of universal significance -- by the initiators of scientific socialism, and to sum up the experiences in the practice of socialism in past decades; on the other hand, to analyze how the state of affairs of our country has endowed socialism with Chinese characteristics. Our understanding through study on these two aspects will be discussed as follows:

#### THE BASIC FEATURE OF SOCIALISM AND CHINESE CHARACTERISTICS

For a considerably long period in the past, the Soviet Union under the leadership of Stalin was regarded as the unique standard of socialism, which was copied regardless of the concrete conditions of other countries.

However, none of them succeeded, and inevitably reformation was involved.

On the basis of summing up this historical experience, Comrade Deng Xiaoping pointed out that if we are to build socialism with Chinese characteristics, "it is imperative to integrate the universal truth of Marxism with the concrete conditions of our country, taking our own road." In other words, socialism with Chinese characteristics is the inevitable outcome of the integration of the general principle of Marxism-Leninism on socialism with the concrete conditions of China, and taking our own road. Therefore, in studying the question of "building socialism with Chinese characteristics," it is primarily necessary to trace the origin by studying the relevant discussions of Marx, Engels, and Lenin.

In accordance with the objective requirements of the development of productive force in a capitalist society, Marx and Engels proposed that in the stage of socialism, private ownership of production means would be eliminated and public ownership of production means would be established. In the "Communist Manifesto" they indicated: "The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, and to centralize all instruments of production in the hands of the state, that is, of the proletariat organized as the ruling class." ("Selected Works of Marx and Engels," Vol 1, p 272) This refers to the possession of the entire production means of the state in the name of society, because they took the highly developed productive forces of capitalism as the starting point in their study. During the 1870's and 1880's, Marx and Engels made the supposition that in a country with a large agricultural population, the proletariat should, after they seize power, adopt collective ownership as a transitional form. As for forms of ownership other than public ownership, they did not exist in the supposition of Marx and Engels.

In the "Critique of the Gotha Program," Marx expounded for the first time the distribution principle of individual consumer commodities in socialist society. He indicated that "under the condition of the public ownership of production means, what every producer provided for society is his own labor, when all deductions are made," "a given amount of labor in one form is exchanged for an equal amount of labor in another form." ("Selected Works of Marx and Engels," Vol 3, p 11) This means that under the socialist system it is necessary to exercise the principle of "distribution according to labor."

Marx and Engels asserted that after socialism replaces capitalism, society will take the form of planned distribution of labor, so as to directly link social production with social needs. Engels indicated: Once society seizes social production means, "the anarchy within social production is replaced by consciously planned organization." ("Selected Works of Marx and Engels," Vol 3, p 323) Although the initiators of Marxism expounded and proved the objective inevitability of the implementation of planned economy in socialist society, they did not foresee that socialist production would still adopt the form of commodity production, and, arising from that the characteristics of socialist planned economy.

Marx and Engels also expounded and proved that in socialist society it is necessary to exercise the dictatorship of the proletariat. Marx said: Class struggle will inevitably lead to proletarian dictatorship. "This dictatorship is only a transition to attain the elimination of all classes and entrance into a classless society." ("Complete Works of Marx and Engels" Vol 28, p 509) The transition Marx referred to includes the socialist stage, and the state at this stage is the dictatorship of the proletariat.

Lenin further developed the foregoing discussion of Marx and Engels.

In 1917 he pointed out: "From capitalism mankind can pass directly only to socialism, that is, to the social ownership of the means of production and the distribution of products according to the amount of work performed by each individual." ("Selected Works of Lenin, Vol 3, p 62) In the article "A Great Beginning," Lenin said, socialism will create a still higher productivity than capitalism. This is a very important idea in the understanding of socialism.

Nevertheless, Marx and Engels did not explicitly and concentratedly generalize the foregoing discussions as the basic characteristics of socialism. Nor did Lenin want to make an all-round generalization of the basic characteristics of socialism. On this point, Lenin said: "It is still impossible for us to expound the characteristics of socialism, because there are no materials to illustrate the characteristics of socialism, and the bricks for building socialism are not yet ready." ("Complete Works of Lenin" Vol 27, pp 134-135) This is a strict scientific attitude.

In accordance with the discussion of Marx, Engels, and Lenin, the 12th CPC National Congress summed up the socialist practice of decades in our country, took into consideration the international experiences, and scientifically generalized the basic characteristics of socialism. They are: the elimination of the exploitation system, the public ownership of production means, distribution according to labor, planned and proportional development of national economy, a socialist spiritual civilization with communist ideology as its core, and political power of the working class and the laboring people. A highly developed productive force and higher labor productivity than capitalism as the inevitable requirements and final results of the development of socialism are also characteristics. Such an all-round, complete, and up-to-date generalization has defined the qualifications of socialism, and added new content to scientific socialism, showing that our party has arrived at a new milestone in its understanding of socialism, and at the same time theoretically and methodically indicating to us the orientation for our study of "building socialism with Chinese characteristics."

Although there is a great difference between the socialism in the discussions of Marx, Engels, and Lenin in their times and the socialism in practice today, their general principles are applicable to all countries building socialism. Therefore, in our study of "building socialism with Chinese characteristics," it is necessary to persist in these general principles. This is the common nature of socialism. To persist in these general principles, the most important is to persist in the basic characteristics generalized by the 12th CPC National Congress. They are the common nature of socialism. At the same time, the concrete conditions vary for achieving victories in socialist revolution and for building socialism by the proletariat and the laboring people of various countries. So long as they persist in Marxism and Leninism and the integration of the general principles of socialism with the concrete conditions of their own countries, their peculiarities will inevitably be formed on the basis of the common nature of socialism. We are building socialism on the basis of "poverty and blankness," a large population, and a big Oriental country that did not go through the stage of capitalism. In the practice of applying the general principles of scientific socialism to building socialism, inevitably there will be creations and peculiarities of our own.

Hence, we can see that the topic of "building socialism with Chinese characteristics" includes universality and peculiarity, namely the relation between common nature and individuality. In practice, common nature and individuality are linked; common nature is included in individuality, while individuality is inclusive of common nature. Building socialism with Chinese characteristics is the unification of common nature and individuality.

## CHIEF MANIFESTATIONS OF CHINESE CHARACTERISTICS IN THE SOCIAL MACROSCOPIC ASPECT

"Building socialism with Chinese characteristics" refers to the Chinese characteristics in the economic, political, and ideological and cultural aspects that socialist society possesses in its socialist economic and political systems. Therefore, "Chinese characteristics" include many layers and can be investigated macroscopically and microscopically; however, the more important is the macroscopic aspect.

Then, what are the chief manifestations of the Chinese characteristics in our social macroscopic aspect?

## FIRST, WE HAVE OUR OWN CHARACTERISTICS IN THE STRUCTURE OF OWNERSHIP.

Socialist public ownership of production means is the basic sign determining the socialist nature of our society and the basic economic system of our society. To persist in socialism, it is necessary to persist in the system of socialist public ownership. Nonetheless, persistence in the system of socialist public ownership does not mean to be heedless of the concrete conditions of one's own country, and to implement a uniform public ownership system in the whole of society. The social productive force of our country at the present stage is not only comparatively low in its general level, but uneven and of many layers between industry and agriculture and within themselves; and there is an imbalance between urban and rural areas, between regions, and between departments. The situation of being imbalanced and of having many layers in the productive force has determined that the structure of the ownership system will inevitably be many layered. And this is the long-term coexistence of many economic forms such as economy of collective ownership, and laborer individual economy within a certain limit under the premise of persistence in the dominant position of state-operated economy of ownership by the whole people. State-operated economy is the dominant force in the national economy, the decisive condition for ensuring that the collective economy will march along the socialist orientation, that individual economy will act in the service of socialism, and that the development of the whole national economy will conform to the whole and long-standing interests of the laboring people. Collective economy is the chief economic form in the rural areas of our country. Within the limitation of the stipulations of law, individual laborer economy is a supplement to socialist public-owned economy. Within the limitation of the stipulations of law, individual laborer economy is a supplement to socialist public-owned economy. The three economies -- state ownership, collective ownership, and individual -- each has its advantages to a certain extent, and though different in their places and roles, are all indispensable. Apart from the above-mentioned three economic forms, various coalesced economies and economic forms of a transitional nature have appeared in recent years. Among them are the coalition of state-owned economies, the coalition of state-owned and collective-owned economies, the coalition of state-owned, collective-owned, and individual economies, and so on. Besides, under the specific conditions of our country, there are also a small number of joint ventures, and legal enterprises with investments of Hong Kong and Macao compatriots, Overseas Chinese, or foreign capitalists. Under the premise of upholding the dominant position of state-operated economy of ownership of the whole people, the development of diversified economic forms is an important breakthrough in the traditional frame of the two systems of public ownership, and has endowed the structure of the ownership system at the present stage of our country with its own characteristics.

## SECOND, THE SYSTEM OF DISTRIBUTION ACCORDING TO LABOR HAS ITS OWN CHARACTERISTICS.

It is necessary to implement distribution according to labor in socialist society. However, in the practice of international socialism, the problem as to what form will best implement the principle of distribution according to labor has not been properly solved.

State-operated enterprises of our country have long implemented the eight-grade system based on work hours, and the work-point system had long been implemented in the collective economy in the rural areas, resulting in the grave phenomena of "everybody eating from the same big pot." Since the 3d Plenary Session of the 11th CPC Central Committee, the peasants of our country have created the system of contracted responsibilities with payment linked to output, with the all-round contract system as the chief form. The core of the system of contracted responsibilities with payment linked to output is payment reckoned according to output; this has brought about a basic change not only in the form of management but also in the form of distribution according to labor. Apart from the corresponding income derived from the production means put in by the individual, payment reckoned according to output is the measurement for distribution according to the result of labor. Thus the amount of labor, the products harvested, and the amount of reward deserved are organically joined. Such a form of reckoning payment will better give expression to the principle of distribution according to labor. Under the enlightenment of the contracted responsibility system with payment linked to output, industry and commerce are looking for forms of determining payment suitable to their own characteristics. With implementation of the contracted responsibility system with payment linked to output, we have found a form of implementing the principle of distribution according to labor which possesses Chinese characteristics.

#### THIRD, THE MANAGEMENT FORM OF PLANNED ECONOMY HAS CHARACTERISTICS OF ITS OWN.

It is necessary for socialism to implement planned economy. However, the management forms of planned economy vary. In some countries, a highly concentrated form of planned management is implemented (as we did in the past); while in other countries there is a rather decentralized form of planned management. Practice has proved that both forms of planned management have their merits and their defects. Starting from the objective economic conditions of the long-term coexistence of state-operated economy and diversified economic forms and the existence of commodity economy, our party has put forth the important principle of "taking planned economy as primary and regulation by market mechanism as supplementary." In handling the relation of the two aspects in accordance with this principle, it is necessary to persist in taking planned economy as primary so as to make it possible to basically and in an overall way ensure the proportional development of the national economy, realize the aim for socialist production, and enable the national economy to advance along the socialist orientation. At the same time it is necessary for the market mechanism regulation to bring into play its supplementary role within a certain limit, so as to make up for the shortcomings of the plan and be advantageous to carrying forward the initiative of all sectors and promoting the coordinated development of the economy and to meet better the needs of the people. In this way the necessary concentration and unification of the state is ensured, room for proper mobility and flexibility is provided for units of production operation, and the management form of planned economy is stamped with Chinese characteristics.

#### FOURTH, THE FORM OF THE PEOPLE'S POLITICAL POWER HAS OUR OWN CHARACTERISTICS.

It is imperative for socialism to exercise proletarian dictatorship. However, as the state of affairs of various countries differs, the proletarian dictatorship will inevitably be adopted in different forms in various socialist countries. In our country proletarian dictatorship takes the form of people's democratic dictatorship. This conforms to the state of affairs of our country. People's democratic dictatorship is formed in long-standing revolutionary struggles, and has long become a form of political power to be readily accepted by people of the whole country. Peasants make up the overwhelming majority of our country's population; as the leading class, the working class accounts for only a minority of the population.

To better realize its leadership, it is imperative for the working class to regard peasants as solid allies. And the national capitalist class has taken part in the united front led by our party since the democratic revolution; today in particular, the exploiting classes have long been eliminated as a class. All this has inevitably made the political power of our state adopt the form of people's democratic dictatorship, which has correctly and precisely demonstrated the class condition of our state in the present stage and the broad basis of political power, and has explicitly expressed the democratic nature of political power of our state. It will enable people to administer state affairs, economy and cultural undertakings, and social affairs, and to develop socialist democracy in accordance with legal stipulations through various forms and channels, and to exercise dictatorship over the enemy. This is a great characteristic of the form of political power of our country.

#### FIFTH, IN SOCIALIST SPIRITUAL CIVILIZATION, WE ALSO HAVE OUR OWN CHARACTERISTICS.

The scientific concept of socialist spiritual civilization is put forth for the first time by our party, and is defined as an important characteristic of socialism. It is of universal significance to all socialist countries. At the same time our country has its own tradition and characteristics. On the whole, the construction of socialist spiritual civilization can be divided into the two aspects of cultural construction and ideological construction. Cultural and ideological construction are closely linked with the fine cultural tradition peculiar to our country, and linked with our fine revolutionary tradition and the realities of our country today. Thus, in its concrete contents and form of expression, they have both Chinese characteristics and style. "Possessing ideals, morals, culture, and observing discipline," as put forth by Comrade Deng Xiaoping, and "cherishing the motherland, the people, labor, science, and socialism," as stipulated in the Constitution, are possibly the most important Chinese characteristics in spiritual civilization.

The above-mentioned five aspects of Chinese characteristics are chiefly based on the fundamental characteristics of socialism generalized in the report of the 12th CPC National Congress. Therefore, I believe, in speaking of building socialism with Chinese characteristics, it is necessary for us to chiefly understand macroscopically the new factors added to the fundamental characteristics hallmarking the nature of the socialist system.

Here it is necessary to indicate that "building socialism with Chinese characteristics" refers to the aim of our construction, and not to problems concerning road and methods. It is true that both the road and characteristics are determined by the state of affairs of China; and the two are similar in some areas. Nonetheless, we should by no means mix them up. The road to modernization with Chinese characteristics chiefly refers to the focus, steps, and various policies and measures concerning economic construction; while socialism with Chinese characteristics refers to the characteristics of the social system of one socialism and its forms of expression. Adopting the road of modernization with Chinese characteristics is the way to realize the aim of socialism with Chinese characteristics. The content of the "road" is broad, and changes with the change of economic relations and the solving of economic contradictions; while the content of "characteristics" is comparatively narrow, and relatively stable in a comparatively long historical stage. Therefore, it is necessary for us to study separately the problem of socialist construction of our country in the two aspects of the "road" and "characteristics."

#### ECONOMIC COMMISSION URGES INCREASED PRODUCTION

OW111306 Beijing XINHUA in English 1211 GMT 11 Oct 83

[Text] Beijing, October 11 (XINHUA) -- All industrial and transport departments were called on to make arrangements to ensure the over-all fulfillment of state plans at a meeting convened by the State Economic Commission here yesterday.

The meeting, reported in the ECONOMIC DAILY [JINGJI RIBAO] and other Beijing papers today, said that emphasis should be laid on improving economic results. The meeting called on all industrial and transport departments to make the following arrangements:

-- Heavy industry should produce more and better products urgently needed at present; machine building industry in particular should improve quality and ensure the supply of complete sets of equipment required by capital construction projects; light and textile industries and the electronics industry should manufacture more and better marketable goods.

-- All the coal producing provinces and mines with good transport facilities should strive to overfulfil state plans as much as possible to increase energy supply. Those which have not yet met state quotas should take effective measures to do so.

-- With regard to the supply of energy and raw materials, priority should be given to the people's winter needs, and the needs of light industry, railway transport and of Beijing, Tianjin, Shanghai and northern China cities in general.

-- Industrial enterprises should step up their streamlining programs with emphasis on reorganization of leading bodies. The industrial enterprises should strive to improve economic performance by reducing costs and raising profits.

-- Attention should be paid to safety and measures taken against cold weather.

Production in the first three quarters of the year showed steady increases, the vice-minister said. Economic results have improved but are still not satisfactory enough.

#### INDUSTRIAL GROWTH STEADY IN FIRST THREE QUARTERS

OW101917 Beijing XINHUA in English 1555 GMT 10 Oct 83

[Text] Beijing, October 10 (XINHUA) -- China's industry grew steadily in the first three quarters of 1983 to register an output of 450.4 billion yuan (about 225 billion U.S. dollars) -- 10.1 percent more than the same period a year ago.

Heavy industry recorded an increase of 12.7 percent, while light industry saw a 7.5 percent rise. Production was up in 88 of the country's 100 major industrial products, Zhao Weichen, vice-minister of the State Economic Commission, said here today.

Coal, oil, power and transportation led the gains by exceeding state plans in spite of hot weather and heavy rains, Zhao said. China's mines turn out 511 million tons of raw coal, 6.7 percent more than in the first nine months of 1982, while crude oil production rose 3.4 percent to 78.87 million tons. The country's power stations generated 258 billion kilowatt hours of electricity, a 7 percent increase.

In the same period, China's railways handled 865 million tons of freight and 793 million passengers -- up 4.1 and 6.9 percent in 1982.

More marketable goods were also manufactured due to readjustments in product lineups, Zhao said. The amount of marketable goods rose 2.5 percent in the first quarter of the year, 5.4 percent in the first half of the year and 7.5 percent by the end of the third quarter.

The expansion of capital construction, the unfolding of technical renovation programs and increased peasant demand for agricultural machinery all helped accelerate the development of China's raw material supply and machine building industries, Zhao said.

Production of rolled steel, pig iron and steel increased by 5.2 to 7.8 percent, while output of non-ferrous metals rose 5.1 percent over 1982.

Increases were also recorded in building materials and forestry. Between January and September, Zhao said, 78 million tons of concrete and 30 million standard cases of plate glass were produced, 13.5 and 16.2 percent more than a year ago. Northeast China, the country's major timber producer, put out 16.53 million cubic meters of timber, 4 percent up on 1982.

Production of motor vehicles, machine tools and power generators rose by 21.5 percent to 39.6 percent, Zhao said. 370,000 small tractors were built in the first three quarters of the year, he added, a rise of 27.6 percent.

Zhao said improved management resulted in better product quality and lowered consumption of raw materials. China saved an estimated 12 million tons of coal between January and August, 80 percent of the annual target. Per-capita productivity rose by 6.4 percent nationwide.

However, the vice-minister said, economic results were unsatisfactory. State revenues from taxes and enterprise profits failed to keep pace with the year's increases in industrial output value. The level of management in industrial enterprises was on the whole still too low, he said, noting that many localities and departments paid more attention to output value than to quality. Energy was still in short supply and the nation's transport systems strained, Zhao added, while public purchasing power far exceeded commodity supplies.

#### CORPORATIONS WITH FOREIGN TIES MUST REGISTER

0W081122 Beijing XINHUA in English 1114 GMT 8 Oct 83

[Text] Beijing, October 8 (XINHUA) -- All Chinese national corporations and others with foreign business relations must register with the State Administration for Industry and Commerce or cease operations, according to a circular issued by the administration recently. The state administration will also reassess the corporations' registered capital, the circular says.

An administration spokesman said 104 national, ministerial, provincial and other corporations have so far complied with regulations on the registration and administration of industrial and commercial enterprises issued on July 7, 1982. The corporations have received business licences and certificates of the People's Republic of China, he said. However, the spokesman added, there were still corporations which had not registered and acquired their legal status. This would affect their normal business activities, he said.

According to the circular, all the newly approved corporations must register with administrative departments for commerce and industry within a prescribed period of time. Corporations set up in the past should also have their registered capital reassessed and go through the necessary procedures. Unlicenced corporations are not allowed to conduct business, the circular says.

FUJIAN SETS UP STATE SECURITY DEPARTMENT

OW120612 Fuzhou FUJIAN RIBAO in Chinese 1 Oct 83 p 1

[Text] The State Security Department of Fujian Province [fu jian sheng guo jia an quan ting 4395 1696 4164 0948 1367 1344 0356 1689] was set up in Fuzhou on 30 September.

Attending the meeting for the establishment of the province's State Security Department were leading comrades of the Fujian Provincial CPC Committee, the provincial People's Congress Standing Committee, the provincial People's Government, the Fuzhou PLA units, and the provincial CPPCC Committee; leading comrades of the Ministry of State Security; and responsible comrades of relevant departments directly under provincial authority. They extended warm congratulations on the establishment of the province's State Security Department.

Yuan Gai, Standing Committee member of the Fujian Provincial CPC Committee and head of the preparatory group for the province's State Security Department, presided over the meeting.

Both Permanent Secretary Hu Hong of the Fujian Provincial CPC Committee, and a leading comrade of the Ministry of State Security addressed the meeting. They pointed out that Fujian is a coastal province in Southeast China, a gateway of the motherland in the region. The tasks to be undertaken by the province's State Security Department are glorious yet arduous. They expressed the hope that all comrades of the province's State Security Department would fight in unity and contribute to the security of the country.

At the meeting, Yang Qing [2799 3237], deputy chief of staff of the Fuzhou PLA units, and Bian Qi [6708 0967], director of the provincial Public Security Department, delivered congratulatory speeches.

On behalf of all comrades of the province's State Security Department Director Jin Gong [2516 7255] of the department pledged to unite as one, to rely fully on the masses, to coordinate closely with relevant departments, and to devote all their energies to the work of state security under the leadership of the Fujian Provincial CPC Committee, the provincial People's Government, and the State Security Ministry in order to safeguard the security of the country.

JIANGSU STUDY CLASS ON DENG WORKS CONCLUDES

OW111148 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 8 Oct 83

[Text] According to a report by this station's correspondents (Geng Xiangchu) and (Zhao Xun), the third study class on the "Selected Works on Deng Xiaoping" sponsored by the provincial CPC Committee for leading cadres of provincial organizations at the departmental and bureau level and of higher educational institutions in Nanjing lasted 16 days, and closed on 7 October.

While earnestly studying the works, comrades attending the class summed up experience in conjunction with the present reality and corrected their thinking. They thus deepened their understanding of the fundamental contents of these works.

A variety of effective study methods were adopted by the class. They included general reading plus careful study, self-study followed by discussions, general discussions and discussions on special topics, small group discussions coupled with the exchange of views at large group meetings. Sometimes a group raised a problem, which was then studied and solved; at other times the class listened to reports on how some comrades were helped in the study.

During the class, Comrades Jiang Weiqing and Liu Shunyuan, members of the CPC Central Advisory Commission, and Comrade Wang Haisu came to speak to the class. They talked about their own experience in studying the "Selected Works of Deng Xiaoping" and answered questions that some comrades in the class had thought of in the course of study, thereby giving an intensive education and enlightenment to these comrades.

Comrade Han Peixin, secretary of the provincial CPC Committee, also came to the class. He listened to the remarks made by comrades at a large group discussion and spoke on his personal experience in studying the "Selected Works" in conjunction with the actual situation in the province, centering on the question of how to strengthen and improve party leadership.

After studying the "Selected Works of Deng Xiaoping," comrades in the class came to understand that this book contains both policies and theories and manifests the Marxist stand, viewpoint, and method. It is, they said, a brilliant Marxist book characterized by a combination of theories, policies, scientific viewpoints, and practical methods. It is of universal and far-reaching significance in guiding our socialist construction at present and in the future.

Through study, the comrades also came to understand that seeking truth from facts is the main principle contained in the "Selected Works of Deng Xiaoping" and the basic guideline for us to make a great historical change and to fulfill the general task for the new period. To seek truth from facts, they said, it is imperative to have a profound education in Marxism, a boundless loyalty to the party cause, a staunch proletarian party spirit, along with bravery and boldness. Also needed are the mass line, the work style of investigation and study, and a sound system of democratic centralism, they added.

Through study the comrades deepened their understanding of carrying out socialist modernization the Chinese way. They said: The central theme of the "Selected Works of Deng Xiaoping" is the four modernizations -- that is, a Chinese-type program of socialist modernization. The book is an outline of the four modernizations. In view of the actual situation in Jiangsu, many comrades tried to explore ways for promoting the four modernizations in the province. In addition, leading comrades from higher educational institutions and educational departments attending the class studied and discussed the question of developing higher education with Chinese characteristics. They summed up their experience in integrating the work of educational, scientific research, and production departments, and studied how to achieve still better results in translating the numerous experts' scientific and technological accomplishments into productive forces in the province. They also offered many suggestions on the development of our province's intellectual resources.

#### JIANGSU TO STEP UP TECHNOLOGICAL IMPORTS

OW111559 Beijing XINHUA in English 1206 GMT 11 Oct 83

[Text] Nanjing, October 11 (XINHUA) -- Jiangsu Province will step up imports of advanced technology and equipment, especially for more efficient use of energy and raw materials, according to You Xu, acting chief of the provincial Foreign Economic Relations and Trade Office.

The province, with more than 30,000 enterprises, most in need of revamping, has contracted for 907 economic cooperation projects with overseas firms since 1978, involving 354 million U.S. dollars in foreign capital.

Over 500 of these have been completed and gone on stream. Nearly 100 million U.S. dollars have been paid back for the cost of equipment imported, and some in advance, You Xu said. Most of the projects are small or medium-sized and have improved product quality and competitiveness, he said. Three garment factories in Suzhou, Wuxi and Changzhou imported 1,200 pieces of equipment under compensation trade plans. This has enabled them to produce intermediate and high grade products in more than 200 new varieties, according to You Xu.

Changzhou, a model city as regards technical transformation using foreign capital, has serialized production of some products and changed its export structure. The percentage of primary products processed for export from agricultural produce decreased from 26 percent in 1977 to 15 percent in 1981 and products requiring intensive processing increased from 74 percent in 1977 to 85 percent in 1981.

You Xu said that the province will have more flexible policies toward Chinese-foreign joint ventures, simplify procedures for approval and grant more favorable terms to Hong Kong, Macao and Overseas Chinese investors.

#### JIANGXI LAUNCHES CIVILIZED VILLAGE CAMPAIGN

OW071347 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 6 Oct 83

[Excerpts] On 26 September, the Jiangxi Provincial CPC Committee made the following decision on the development of a civilized village campaign throughout the province:

1. The civilized village is new, created by peasants and rural cadres in the course of building socialist spiritual civilization in the countryside in the new period and under the new situation, in accordance with the party Central Committee's strategic policy of grasping the two civilizations simultaneously. Since the 3d Plenary Session of the 11th CPC Central Committee, the series of important principles and policies carried out by the party Central Committee, aimed at eliminating chaos and restoring order, have greatly stimulated peasants' socialist enthusiasm, resulting in fast development of agricultural production and remarkable improvement in their living standards. Under such circumstances, the broad masses of peasants have expressed an urgent demand for the promotion of spiritual civilization. More specifically, they aspire to learn science and become better educated, attend more cultural activities, improve social order, raise the standards of social conduct, and create a fine and clean living environment. The development of civility and courtesy activities, characterized by the "five stresses, four beauties, and three warm loves" has exactly met the peasants' needs, and so has won their support. Now, a number of fairly good civilized villages, districts, and towns have appeared in various parts of our province. Practice in various localities has proved that the civilized village campaign can effectively heighten peasants' communist ideological level and moral standards, improve person-to-person relations, bring a new look to the village, raise the standards of social conduct, ensure better social order, promote the work of culture, education, public health, and sports, and popularize the knowledge of science and technology and rural areas. It can also help build material civilization and assist in the implementation of the party's rural principles and policies.

2. The basic tasks of the campaign to build civilized villages are ideological work, cultural work, and the construction of villages and towns. Specifically, the work for the present and the near future is mainly as follows:

A. Improvement of the sanitary conditions of villages and towns to create a fine living environment. Propaganda and education should be conducted among peasants to increase their knowledge of public health and sanitation. Radical measures to improve sanitary conditions should be put into effect in conjunction with the implementation of village and town construction plans.

B. Consolidation of public security to ensure good social order. Continued efforts should be made to conduct education in democracy and the legal system. Village regulations, villagers' rules, and other rules and guiding principles, as necessary, should be set up and made perfect, in line with the state's policies, laws and decrees and in accordance with actual local conditions. Villagers' committees and civil dispute mediation organizations should be established, and democratic administration aimed at having the masses manage their own affairs should be strengthened. Education should be given to the masses to encourage them to boldly struggle against bad elements and evil conduct endangering public security, and to strike at all criminal activities.

C. Popularization of education, dissemination of knowledge of science and technology, and invigoration of cultural activities among peasants. Great efforts should be made to popularize primary education, develop secondary education, and eliminate illiteracy among young and middle-aged people. Where conditions permit villages and towns should establish kindergartens to give children pre-school education. In addition, more efforts should be made to build cultural facilities.

D. Change of bad habits and customs and improvement of standards of social conduct. The communist and collectivist consciousness and the level of scientific knowledge of peasants should be raised through the work of propaganda and education, with emphasis on communist ideology and ethics, scientific knowledge, family planning and protection of the legitimate rights and interests of women and children. In this way it is hoped that the peasants will be completely free from the influence of remnant feudal ideas and of capitalist ideology, do away with feudal, superstitious thinking and old habits and customs, voluntarily keep to the principle of late marriage, late pregnancy and planned parenthood, oppose venal marriage and resolutely struggle against acts of killing or discarding female infants and discriminating against or mistreating their mothers.

E. Education in communist ideals, patriotism and collectivism.

F. Development of village and town construction, according to the demands of the masses. Work on village and town construction mainly includes improving peasants' living conditions, building roads and bridges, supplying water and electricity to meet the peasants' daily needs and production requirements, establishing more cultural, education, public health and sports facilities, planting trees and beautifying the environment.

G. Building socialist spiritual civilization is a protracted, strategic task and a matter of prime importance in current rural work. Party committees and governments at all levels should fully understand the importance of building civilized villages and conscientiously strengthen their leadership over this campaign.

This decision is also applicable, in principle, to the building of civilized units. All cities are requested to learn from and popularize the successful experience of Beijing Municipality in implementing the "three responsibilities" system -- that is, responsibility for environmental sanitation, responsibility for planting trees, and responsibility for maintaining good social order -- so as to promote the building of civilized streets, lanes, and other units.

GUANGDONG ARTICLE ON PROPERLY USING FOREIGN EXCHANGE

HK111332 Guangzhou NANFANG RIBAO in Chinese 6 Oct 83 p 2

[Article by Yang Weisong and Shen Jicheng of the Research Office of Guangzhou City CPC Committee: "Appropriately Manage and Use Foreign Exchange Retained by Localities"]

[Text] Since the beginning of the implementation of "special policies and flexible measures" in our province, as our external economic activities continue to develop, an increasingly large number of units and projects in various localities have begun to earn foreign exchange and foreign exchange retained by localities has increased sharply. How we are to use the considerable amount of local retain foreign exchange in an appropriate way in order to achieve better economic results and promote the development of our economic construction is a problem worth noting.

Recently, we made a survey into the question of how retained foreign exchange has been used in Guangzhou. We learned that quite a few units used their foreign exchange to introduce equipment and technology from abroad and achieve good economic results.

1) They have promoted the technical transformation of their enterprises, the renewal of their equipment, and the development of their production. During the past 3 years the city's No 2 Light Industry Bureau, the Light Industry Bureau, and the Textile Bureau have used their foreign exchange to carry out technical transformation, renew equipment, and supply the needs of 61 factories, which account for 15 percent of the total number of factories in these 3 bureaus. This has played a relatively satisfactory role in promoting the technological progress in these enterprises, increasing their output and improving the quality of their products. 2) It has helped our enterprises to shift the products they produce and develop new products to replace old ones and thus achieve relatively good economic results. For example, the No 2 dyeing and weaving mill under the city Textile Bureau used its foreign exchange to purchase 65 new looms for the production of sheeting. This made its products more marketable and increased its profit by 170 percent in the year of purchases. 3) It has promoted the development of service trades. During the past 3 years the city Service Bureau has used \$15.32 million of its foreign exchange to import equipment in order to transform five of its major guest houses and hotels and improve the facilities in a number of hotels and restaurants. Since the transformation the bureau's catering company has increased its turnover by 17 percent and profits by 16.5 percent.

However, during our survey we also found some problems related to the use of foreign exchange in Guangzhou and other areas. One problem is that on the one hand some areas have retained too small a sum of their foreign exchange to meet their needs while others have too much and can find no outlet for it. Another problem is that some of the projects that used foreign exchange have failed to achieve satisfactory economic results. Some have imported equipment that is not urgently needed and has, therefore, laid idle or been seldom used. Others have failed to completely assimilate introduced advanced technology and equipment because they lack a thorough understanding of what they introduced. The cause for these problems lies in our weak points in directing and managing the use of and transferring foreign exchange. For example, sometimes our foreign exchange spending plans are not carefully drawn up; sometimes our management over the spending of foreign exchange is overcentralized; and sometimes we fail to flexibly transfer the retained foreign exchange between areas or between enterprises. In order to more satisfactorily manage and move flexibly use the local foreign exchange, we make the following suggestions: 1) We should strengthen our planning in spending foreign exchange and arranging the spending in a manner of taking account of the whole situation and giving priority to those projects that can use the foreign exchange to the best advantage.

All localities should formulate an all-round plan concerning the long-term and short-term spending of their local foreign exchange, and this plan must be in coordination with the economic development plans and technical transformation plans there. Thus they will be able to use their foreign exchange in close connection with their local economic construction, municipal works, enterprise technical transformation, and the development of their cultural, scientific, and technological undertakings. In deciding which equipment is to be introduced from abroad, we should proceed from reality and take into consideration the actual level of production development of the enterprises that plan to use the equipment and these enterprises' technological capability in providing necessary supplementary equipment to form complete sets for carrying out production. Besides, in formulating and implementing plans for spending foreign exchange, we must also pay attention to carrying out a feasibility study and thus select the projects that can use the foreign exchange to the best advantage. By doing so, we will be able to spend the retained foreign exchange in a more rational and effective way.

2) In managing the spending of foreign exchange, we should appropriately transfer to lower levels the power of examining and approving the application for foreign exchange spending in order to give play to the initiative of relevant departments in utilizing the foreign exchange. 3) We should appropriately concentrate and flexibly transfer the retained foreign exchange. At present, when we transfer foreign exchange from an enterprise, we use an excessively low exchange rate. This rate must be appropriately raised. If this problem is solved, we can foresee that a relatively lively situation of transferring foreign exchange will emerge. At the same time, we can appropriately concentrate and transfer foreign exchange by means of borrowing from those enterprises that have idle foreign exchange. 4) We should develop the business of attracting foreign exchange deposits from our residents and tap our localities' potential in earning foreign exchange. There are a large number of returned Overseas Chinese, relatives of Overseas Chinese, and Hong Kong and Macao compatriots who are living in Guangzhou and other areas in our province. Many of these people deposited foreign exchange abroad before liberation. In the past few years, some Hong Kong and Macao compatriots have given gifts of foreign exchange to their relatives or brought back foreign exchange to our areas. In a sense, this is also a kind of foreign exchange income for our areas. We would rather concentrate this kind of foreign exchange and spend it on our economic construction than let it lay idle among the people. Developing the business of attracting foreign exchange deposits in our areas is a proper method to concentrate idle foreign exchange from among our people.

#### HENAN DECISION ON LOCAL CONGRESS STANDING COMMITTEES

HK111501 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 9 Oct 83

[Text] The Henan Provincial CPC Committee recently made a decision on strengthening the work of local people's congress standing committees at all levels.

The decision says: Since the provincial People's Congress Standing Committee was established in September 1979, people's congress standing committees of all cities, counties, and districts under the jurisdiction of the county government have been up one after another. Over the past 4 years, under the leadership of CPC committees at all levels, local people's congress standing committees at all levels have done a great deal of work, achieved many results, and accumulated some experiences.

With a view to really building local people's congresses at all levels and their standing committees into authoritative people's organs of power, making them meet the needs of socialist modernization, and giving play to their necessary role, in accordance with the relevant provisions of the Constitution and with the spirit of the 12th party congress, the following decision has been made:

1. It is necessary correctly to understand the nature, status, and role of local people's congresses at all levels and their standing committees. All state powers belong to the people and the organs which exercise state powers on behalf of the people are people's congresses at all levels. This is our country's basic political system. People's congresses at and above the county level establish standing committees. This is an important reform of our country's local organization of political power. In accordance with the PRC organic law of local people's congresses at all levels and local people's governments at all levels, doing well the work of people's congress standing committees at all levels is of extremely important significance for developing socialist democracy, putting the socialist legal system on a sound basis, and strengthening the building of local political power. CPC committees at all levels, particularly leading cadres at and above the county level, must seriously study the Constitution and laws, study the issues of democracy and the legal system, and profoundly understand the legal status and the important role of people's congress standing committees. Party schools and cadre schools at all levels must regard the problems of strengthening democracy and the legal system as one of the contents of teaching materials. Responsible comrades of CPC committees at all levels must, on appropriate occasions, explain the important significance of establishing people's congress standing committees and their status and role to party members, cadres, and the masses. Propaganda departments at all levels, particularly newspapers, radio, television, and publications, must strengthen propaganda in this aspect. Through study, propaganda, and education, party members, cadres, and the masses will be able to foster a sense of democracy and a sense of the legal system, conscientiously to respect the legal status of people's congress standing committees, and to show concern for and support the work of people's congress standing committees.

2. It is essential to strengthen further and perfect work organs of local people's congress standing committees at all levels. Local people's congress standing committees at all levels are both organs of power and work organs. They must be vigorously strengthened and perfected in the course of structural reform. The three special committees set up by the provincial People's Congress are the important work organs of the provincial People's Congress and its Standing Committee. Their tasks are to study, examine, discuss, and draft motions and to help the People's Congress and its Standing Committee to make correct decisions. In the light of the actual situation and the work needs, the people's congress standing committees of the cities under the jurisdiction of the provincial government must set up necessary work committees. In the light of work needs, the county and city people's congress standing committees must set up the necessary organs. If a prefecture has not established its people's congress standing committee, the prefectoral CPC committee can establish a people's congress work liaison organization in its organ or assign special persons to be responsible for this work. In the course of structural reform, all places must appropriately increase the personnel establishment for local people's congress standing committees at all levels so that work can be even better carried out. In electing the component members of the people's congress standing committees, we must adhere to the principle of having both ability and political integrity. We must do a good job in cooperation between old and new cadres and in succession of the new to the old. Some can be a little older but they must be able to carry out normal work. The personnel of the offices of the people's congress standing committees must be small in number but highly trained. Work personnel must be provided in accordance with the principle of being more revolutionary, younger, professionally more competent, and better educated. Local people's congress standing committees at all levels are newly established organs. We must guarantee the necessary offices, means of transportation, and funds for them to carry out their work. Local CPC committees and governments must properly solve as quickly as possible the problems which have not yet been solved.

3. It is imperative to strengthen ideological building in local people's congress standing committees at all levels and constantly to improve their work style and method of work. Local people's congress standing committees at all levels must seriously study Marxism-Leninism-Mao Zedong Thought and the party's line, principles, and policies, must study the Constitution and laws, must study modern scientific and cultural knowledge, and must endeavor to enhance their ideological and political awareness and their work levels. At present, we must seriously study the "Selected Works of Deng Xiaoping," further heighten our spontaneity for implementing the line of the 12th party congress, and heighten our spontaneity for keeping politically in line with the central authorities. In accordance with the provisions of the Constitution, a people's congress standing committee must supervise government work. It must mainly supervise whether or not the government runs counter to the Constitution, laws, and policies. Moreover, people's congress standing committees must vigorously support government work. In particular, through various legal procedures, they must call on and mobilize the masses to implement the decisions, orders, and other administrative measures issued by the government and to accomplish all tasks put forward by the government. People's congress standing committees cannot replace the government in work. They must also not interfere in the government's routine work. The people's government must resolutely implement all resolutions and decisions adopted by the people's congresses and their standing committees, must regularly report on their work to the people's congress standing committees, must listen to the latter's opinions, and must accept the latter's supervision. With stress on the important tasks put forward by the party and the state, local people's congress standing committees at all levels must go deep into grassroots units to conduct investigations and study, must look into the new situation, must discover new problems, and must sum up new experiences. It is necessary to carry out the four checkups drive, to listen to views of the masses, to understand the masses' demands, to strengthen ties with the masses, and to prevent and overcome bureaucratism.

4. It is necessary to strengthen and improve CPC committees' leadership over people's congress standing committees. CPC committees at all levels must regard strengthening leadership over people's congress standing committees as an important task and include it on their agendas. CPC committees at all levels must support the work of people's congress standing committees and, in accordance with the law, perform their duties and exercise their powers. Matters which must be put before a people's congress standing committee for examination and discussion, in accordance with provisions of the law, must be put before it for discussion. Party members and cadres who work in a people's congress standing committee must be modest and prudent, must be strict with themselves, must set an example, and must give play to their exemplary and advanced role. They must pay attention to uniting comrades who are not party members and must work together with them, so that the latter have their own duties and powers and so that their functions will be brought into full play.

In conclusion, the decision says: Our party has led the people to formulate the Constitution and the laws. It must also lead the people to enforce the Constitution and the laws. CPC committees at all levels must seriously study the Constitution and the laws, must cultivate the practice of acting in accordance with the laws, must guard the sanctity of the Constitution and the laws, and must wage a resolute struggle against all offences.

## Meeting Conveys Decision

HK120645 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 9 Oct 83

[Excerpts] On the afternoon of 8 October, the provincial People's Congress Standing Committee held a meeting attended by its members who are in Zhengzhou and by the work personnel of its organs, to convey the decision of the Henan Provincial CPC Committee on strengthening work of local people's congress standing committees at all levels. Provincial People's Congress Standing Committee Chairman Zhao Wenfu presided over the meeting.

In the course of discussion, committee members unanimously held: The decision of the provincial CPC Committee is a very important document. In the light of the current situation, to strengthen work of local people's congress standing committee at all levels, it is necessary first to solve the problem of understanding. Some committee members said: Many of us still have confused ideas about the nature, status, and role of a people's congress standing committee. Many have insufficient courage to perform their duties and exercise their powers in accordance with the laws. In the future we must seriously study the Constitution, laws, and the decision of the provincial CPC Committee. In the course of working, we must constantly accumulate experiences and must foster the confidence of doing well the work of people's congresses. Some committee members said: The provincial CPC Committee has attached such importance to the work of people's congresses and this has greatly educated and encouraged us. We must seriously publicize and implement this important decision of the provincial CPC Committee. Under the leadership of CPC committees at the same level, we must carry out work vigorously and of our own accord.

In the course of discussion, they held: To implement this decision of the provincial CPC Committee, it is necessary to seriously strengthen building of people's congress standing committees. Some committee members said: If our country wants to achieve four modernizations, we must vigorously develop socialist democracy and put the socialist legal system on a sound basis. People's congresses have shouldered very important duties. In accordance with the requirements of the decision of the provincial CPC Committee, we must be bold in and good at exercising powers in accordance with the laws and must strive to create a new situation in the work of people's congresses. We must constantly improve our work style and the method of our work, must go deep into realities to conduct investigation and study, must listen to the masses' voice, must pool their wisdom, must reflect their demands, and must gradually build people's congress standing committees into an authoritative people's organ of power.

WATER LEVEL ON HAN JIANG IN HUBEI RECEDES

HK120204 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 11 Oct 83

[Text] From yesterday evening to today, the antiflood struggle on the Han Jiang was extremely tense. The water levels at Xiantao and Hanchuan were respectively 1.1 and 2.12 meters above the warning level. In the face of this serious situation, under party and government leadership, the people of Mianyang and Hanchuan Counties have stubbornly fought the flood waters. Since 5 October, responsible comrades in Mianyang County have eaten, lived, and battled with the masses on the dikes, exercising face-to-face leadership and strictly fulfilling their responsibilities. Hanchuan County has strictly enforced a guard responsibility system. An antiflood army of 80,000 is earnestly patrolling and inspecting 160 km of main dikes. On average there are 500 people to every kilometer, led by 5 state cadres. Problems are dealt with the moment they are discovered.

Beginning this afternoon, the water level on the lower reaches of the Han Jiang slowly fell. However, the people in these two counties are not relaxing. They are resolved to carry on to the end and win final victory.

HUNAN TV PROGRAM VIEWS CLOTHING STYLES

OW091310 Beijing XINHUA in English 1100 GMT 9 Oct 83

[Text] Changsha, October 9 (XINHUA) -- China's young people want brighter, more stylish clothing -- and are not afraid to speak up for their right to wear it.

That was the message of a special month-long series called "On the Beauty of Clothing", broadcast this summer by Hunan television in central China. The show, masterminded by Sheng Boji, an editor at the station, gave young workers, teachers, actresses and garment designers a forum for their personal views on what the country's youth should wear.

It also elicited a keen debate on what clothing should be regarded as respectable, and what condemned as "exotic." This kind of denunciation, according to commentators, was a legacy of the Cultural Revolution of 1966-76, when young people wore only clothes of uniform designs and dull colors.

For the past several years, however, more fancy dress has been coming out of the closet or the tailor's.

Xiao Junning, 15, a Communist Youth League cadre in her middle school in the provincial capital of Changsha, told viewers that she used to keep the colorful outfits her mother made for her locked in the bottom of a trunk. Following the televised debate, she said, she began to wear them, with her parents' approval. "It's what a girl should do," she quoted her mother as saying.

Other guests on the show went somewhat farther, asserting that so-called "exotic" clothes -- including denim jeans and bell-bottom trousers -- were misnamed, and actually expressed young people's daring to probe and practise in life. What seemed extreme today, they said, might gradually be improved and become tomorrow's everyday wear. But they cautioned against copying foreign styles blindly.

"There is no reason why young people cannot wear jeans and colored shirts," said Tang Yubing, a designer at the Changsha Garment Corporation. "But clothing that exposes the bosom, back and shoulders is not suited to Chinese customs and will not be popular."

Besides helping dispel misgivings about stylish clothing, the televised discussions have also resulted in a minor bonanza for garment shops. When the Dongtang Department Store in Changsha held an exhibition of Shanghai-made clothing recently, its sales rocketed from 400 yuan (about 200 U.S. dollars) to 10,000 yuan a day.

"The customers are challenging us to meet their demands," said Luo Fangmei, the store's deputy manager.

XIZANG POLICE DETACHMENT HOLDS INAUGURAL MEETING

HK071315 Lhasa Xizang Regional Service in Mandarin 2340 GMT 6 Oct 83

[Text] A detachment directly under the Xizang Corps of the Chinese People's Armed Police Force held an inaugural meeting in Lhasa on the afternoon of 6 October. At the meeting, (Zhang Zhu), deputy director of the Xizang Armed Police Corps, read the order of the Political Department of the Xizang Armed Police Corps on appointments. (Xu Da) has been appointed political commissar of the detachment, and (Du Peide), has been appointed the commander of the detachment.

Responsible comrades of the regional People's Government, the regional Public Security Department, the Xizang Armed Police Corps, and other relevant units attended the meeting to extend greetings.

(Wang Kongliang), commander of the Xizang Armed Police Corps, spoke at the meeting. After putting forward five demands on the detachment, he said: I hope that all commanders and fighters will unite, struggle hard, work diligently to build the People's Armed Police Force into a revolutionized, regularized, and modernized force, which the enemy fears and which the people love and esteem, and strive for even greater results.

The new appointed detachment commander and the representatives of the cadres and fighters of the detachment also spoke at the meeting, declaring that they will strengthen military and professional training, enhance military and political quality, bring the functions of the armed police force into full play, and contribute to the basic improvement of social order in our region.

LHASA CPC COMMITTEE ELECTS DELEGATES, CONCLUDES

HK100427 Lhasa Xizang Regional Service in Mandarin 2340 GMT 9 Oct 83

[Excerpts] A Lhasa City representative meeting of party members concluded on the afternoon of 8 October. The meeting was attended by 179 representatives of party members from all fronts in the city. Regional CPC Committee Secretary Duojie Caidan spoke at the meeting. Lhasa City CPC Committee Secretary (Zhao Jingwen) and Deputy Secretaries (Zhang Jianyi) and (Tang Dongming) also spoke. They put forward specific views on work arrangements for the city in the coming winter and spring. They demanded that all party members, cadres, and masses in the city do a good job in fighting natural disasters, carrying out relief work, and promoting self-salvation through production during the winter and spring. All measures for self-salvation through production must be put on a sound basis.

While grasping self-salvation through production and making arrangements for the masses' livelihood, party committees at all levels must further step up political and ideological work. They must crack down on crime, stabilize urban and rural social order, and tackle problems in a comprehensive way.

It is necessary to strengthen party building, further bring about a fundamental turn for the better in party style, and create a new situation in all work.

The meeting democratically elected delegates to attend the third regional party congress.

After study, the regional CPC Committee has decided to readjust the Lhasa City leadership group. Regional CPC Committee Secretary Duojie Caidan placed six hopes on the new leadership group:

1. It should maintain political and ideological unity with the CPC Central Committee; this mainly means unity with the line, principles, and policies since the 3d plenary session, and especially with those of the 12th party congress. This is an issue we must frequently think about.
2. It should uphold democratic centralism. Only by upholding the party's collective leadership can it bring into play the collective wisdom of the members of the leadership group and do its work well; and only thus can the relations within the party be normal.
3. The members of the new leadership group should be models in correcting party work style.
4. It is necessary to further study and understand many issues in the four modernizations drive. Reform must be carried out of ideological styles and ideas of sticking to old ways that do not help promote the four modernizations drive.
5. We must assiduously study and acquire specialized knowledge and the experiences of others. At present we should seriously study the "Selected Works of Deng Xiaoping."
6. Strengthen the unity of old and new members in the leadership group. The new members should humbly and seriously listen to the views and constructive schemes of the old members. New and old members should support, respect, and learn from each other, and work together to make a success of all work.

#### BRIEFS

YUNNAN SMUGGLING RING -- Cangyuan Wa Autonomous County recently cracked a silver smuggling ring headed by (Chen Jiaxing), member of the county CPC Committee and deputy head of the county, and (Yang Ruying), member of the county People's Congress Standing Committee. In collusion with three other persons, (Chen) and (Yang) smuggled over 200 taels of silver and some other precious items since March this year, with a total value of over 5,000 yuan. (Chen) started this with the idea of buying furniture and expensive commodities for his son's wedding. Public security cracked the ring in mid-September when it was on the point of plotting fresh smuggling activities. [Summary] [Kunming Yunnan Provincial Service in Mandarin 2300 GMT 4 Oct 83 HK]

YUNNAN WATER STORAGE -- The amount of water stored in all reservoirs in Yunnan Province by the end of September was 2.71 billion cubic meters, an increase of 890 million cubic meters over the same period last year. The amount of water stored in prefectures and autonomous prefectures, including Qujing, Chuxiong, Dali, and Yuxi, each increased by 100 million cubic meters. Except for Wenshan, Simao, and Dongchuan, where the amount of stored water is less than before, the amount of water stored in the other prefectures, autonomous prefectures, and cities is more than in previous years. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 5 Oct 83 HK]

EDITORIAL VIEWS SOLVING NORTHWEST ENERGY SHORTAGE

HK120716 Beijing RENMIN RIBAO in Chinese 8 Oct 83 p 1

[Editorial: "Grasp Energy Construction in the Rural Areas of the Northwest"]

[Text] In accomplishing the strategic task of transforming northwest China, the key is to revive and develop vegetation, and realize a benign ecological cycle. To develop vegetation, it is necessary to develop energy resources. During their recent inspection of Qinghai and Xinjiang, leading comrades of the CPC Central Committee stressed that only when the fuel problem in the rural areas is solved can the forests and vegetation of the grassland be prevented from being damaged. The report of Yongqing County of Gansu Province carried in this paper today proves this with facts.

Vegetation is scarce in the northwest, and the ecological environment is deteriorating, resulting from long-standing damage in history. The energy shortage is serious in the rural areas, which chiefly accounts for the damaged vegetation. According to an investigation of Gansu Province, there are 3 million agricultural households in the whole province. Every year an area of about 2 million mu of forest and grass are damaged in acquiring fuel. According to statistics of a few years back, an average of 40,000 mu of forests are destroyed annually, and the forests preserved through annual afforestation are less than 30,000 mu; the forests destroyed are larger in area than the afforestation area. Such phenomena are not isolated in the northwest. Out of the need for cooking, the peasants have burned most of the plant stalks and animal dung, and the destruction of forests and woods and digging up grass roots have resulted in a shortage of fodder and fertilizer and aggravation of soil erosion. In the end, people have to go in for extensive cultivation; and a vicious cycle is formed when the more land they reclaim, the poorer they become; the poorer they become, the more wasteland they reclaim. And it is very difficult to develop agriculture, forestry, and animal husbandry. Therefore, we can see that the energy problem in the rural areas of the northwest is one that concerns the strategic whole in the transformation of the northwest. When the fuel problem in the rural areas is solved, with vegetation gradually revived, plant stalks saved, animal husbandry promoted, and soil fertility enforced, the situation of a vicious cycle will come to an end, and a benign circular system will be formed.

Solving the energy problem in the rural areas is an important link in planting trees and grass and in developing animal husbandry and the transformation of the northwest. Planting trees and grass will not only create conditions for developing agriculture and animal husbandry, but will also open up important sources of timber and firewood. By planting the waste hills and land with trees and grass where suitable, and allotting part of the hills to the peasants for growing firewood and charcoal where conditions permit, the fuel problem in the rural areas can be solved. Once this problem is solved, the growth of forests and grass will in turn be promoted. It is necessary for us to correctly understand the dialectical relationship between the construction of vegetation and that of energy resources in the rural areas, so as to link planting trees and grass with solving the problem of firewood in the rural areas.

Of course, solving the energy problem in the rural areas is not limited to planting trees and grass. Various localities should start from the actual conditions, do well in the development and utilization of other energy resources, and bring about the mutual supplement of various resources. The climate of the northwest is dry with little rainfall, but there is plenty of sunshine. Utilization of solar energy is an efficient way to solve the energy problem in the rural areas, while wind energy, small hydroelectricity projects, small coalpits, geothermal energy, and so on should all be actively developed where conditions exist, and when financial and material strength permits.

Besides, methane and stoves that save firewood are two efficient energy-saving measures suitable to be popularized and applied widely in the countryside. Firewood-efficient stoves are within easy reach, and fast in achieving results. Methane is all the more advantageous in many aspects. The secretary of the Hezheng County CPC Committee of Gansu Province has directly grasped the work of popularizing firewood-efficient stoves, and in a short span of only 2 years or more, 60 percent of the peasant households have improved their stoves, with 28 million jin of firewood saved annually in the wood county. This has greatly alleviated the contradiction of firewood shortage.

The grave shortage of energy resources in the dry areas of the northwest is a difficult problem left over by history. It would be unrealistic to solve the problem thoroughly in a short period of time. The key lies in the strong determination of the leadership and a correct work method. If we overestimate the difficulty, stop where we are and do nothing, then we shall have to be manipulated by nature. One of the decisive factors of the outstanding achievements in the application of solar stoves is that the county CPC Committee has a real sense of urgency in solving the energy problem in the rural areas. The secretary personally takes an interest in the matter, brings into play the initiative of thousands of households, based on science, and seeks practical results. There are assignments and examinations in the work; concrete problems are solved one by one; and they are persistent in grasping the work. Hence, the good results.

To stop the damage to the ecology, and to solve the problem of the commune members in their "worries over no fuel in their stoves" are the earnest demand of the broad masses of peasants. We should positively and actively organize and guide them, and carry forward the revolutionary spirit of self-reliance, mainly relying on the strength of the masses themselves, while the state provides certain help. We believe that with the unfolding of the activities of planting trees and grass on a mass basis, the development of other energy resources in an active and reliable way, and efforts for a few years or longer, the fuel problem in the daily life of the masses in the northwest region will certainly be solved.

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